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Transcript Exhibit(s)

Docket #(s): T-20613A-08-0420

Exhibit # : A1-A4,51

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2009 OCT 15 P 3:27
ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
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ARIZONA CORPORATION COMMISSION

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Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services

1000 AUG -8 P 4: 11

Mail original plus 13 copies of completed application to:

For Docket Control Only
(Please Stamp Here)

AZ CORP COMMISSION
DOCKET CONTROL

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending
in Arizona as an Interexchange reseller, AOS provider,
or as the provider of other telecommunication services.

Type of Service: N/A

Docket No.: _____ Date: _____ Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

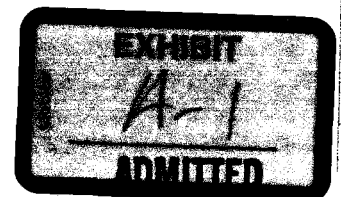
(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and mark the appropriate box(s).

- ☒ Resold Long Distance Telecommunications Services (Answer Sections A, B).
- ☒ Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- ☒ Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- ☒ Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
- ☐ Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- ☐ Other _____ (Please attach complete description)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

Mercury Voice & Data Company
825 Edmond Street
St. Joseph, MO 64506
816-221-8100
FAX - 816-221-8100
www.npgco.com

07/07/06



(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

None.

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

Bill Severn
Chief Operating Officer
102 N. Woodbine Road
St. Joseph, MO 64506
bsevern@npgco.com

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

Mike McCann
Spencer Fane Britt & Browne LLP
1000 Walnut Street, Suite 1400
Kansas City, MO 64106-2140
816-474-8100
800-526-6529
mmccann@spencerfane.com

Joan S. Burke
Osborn Maledon, P.A.
2929 North Central Avenue, Suite 2100
Phoenix, AZ 85012
Tel: (602) 640-9356
Fax: (602) 640-6074
jburke@omlaw.com

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Complaint Contact Person:

Shari Chesser
Project Manager
102 N. Woodbine Road
St. Joseph, MO 64506
schesser@npgco.com

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category.

- ☐ Sole proprietorship
- ☐ Partnership: ☐ Limited, ☐ General, ☐ Arizona, ☐ Foreign
- ☐ Limited Liability Company: ☐ Arizona, ☐ Foreign
- ☒ Corporation: ☒ "S", ☐ "C", ☐ Non-profit
- ☐ Other, specify: _____

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

See Attachment A

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

See Attachment B

(A-10) Indicate the geographic market to be served:



Statewide. (Applicant adopts statewide map of Arizona provided with this application).



Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from reoccurring.

Neither the Applicant nor any of its officers, directors, partners or managers have been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency or law enforcement agency.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

Neither the Applicant nor any of its officers, directors, partners or managers have been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by an administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years. In responding to this question, Applicant's officers, directors, partners and managers were asked to exclude divorce proceedings, family court matters, probate cases and personal bankruptcy/creditor proceedings that are not related to this application and the Applicant.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

☒ Yes

☐ No

(A-14) Is Applicant willing to post a Performance Bond? Please check appropriate box(s).

☒ For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

☒ Yes

☐ No

If "No", continue to question (A-15).

☒ For Local Exchange Resellers, a \$25,000 bond will be recommended.

☒ Yes

☐ No

If "No", continue to question (A-15).

☒ For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

☒ Yes

☐ No

If "No", continue to question (A-15).

☒ For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

☒ Yes

☐ No

If any box in (A-14) is marked "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than onetype of service.

(A-15) If any box in (A-14) is marked "No", provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Forms Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

Applicant is applying for facilities-based authority. Therefore, no affidavits are required prior to the filing of this Application.

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in Arizona:

☐

Yes

☒

No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

Missouri

Missouri Public Service Commission
Governor Office Building
Attn: Jennifer Heintz
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102-0360
Jennifer.heintz@psc.mo.gov
Direct Line: 573-751-8701
PSC Main Line: 1.573.751.3234

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

See Item A-18 above. The key personnel comprising Applicant's management team are listed on Attachment C.

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R142-801.

None.

(A-21) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- ☒ Decision # 64178 Resold Long Distance
- ☒ Decision # 64178 Resold LEC
- ☒ Decision # 64178 Facilities Based Long Distance
- ☒ Decision # 64178 Facilities Based LEC

B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

☐ Yes

☒ No

If "No," explain why and give the date on which the Applicant began operations.

Applicant has not been in operation for two years. Applicant was formed on April 28, 2006, and began operations on January 22, 2008.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.

5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

See Attachment D.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

Applicant will obtain financing directly from its parent company, News-Press & Gazette Company, to support its initiation of service, its initial provision of voice and data communications services in Arizona, and, if necessary, its procurement of any systems or facilities. However, because Applicant merely intends to operate leased facilities procured from its cable affiliates and other providers operating in Arizona, Applicant believes that the revenues that it will derive from its subscribers will provide adequate financing to support its ongoing operations.

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.
3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
4. If the projected value of all assets is zero, please specifically state this in your response.
5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

See Attachment E.

C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(C-1) Indicate if the Applicant has a resale agreement in operation,

☐ Yes

☒ No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

☐ Yes ☒ No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in Arizona

Applicant intends to begin offering its services in Arizona shortly after the Commission grants it the authority to do so.

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:

☒ Yes ☐ No

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

☒ Yes ☐ No

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

☒ Yes ☐ No

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

David R. Bradley
(Signature of Authorized Representative)

7/11/2008
(Date)

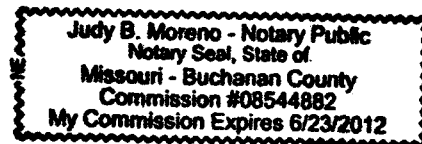
David R. Bradley
(Print Name of Authorized Representative)

Executive Vice-President
(Title)

SUBSCRIBED AND SWORN to before me this 11 day of July 2007.

Judy B. Moreno
NOTARY PUBLIC

My Commission Expires 6/23/2012



Attachment A

A-8

1. See attached Certificate of Good Standing in Arizona.
2. News-Press & Gazette Company is the sole shareholder of Applicant.

Applicant's officers and directors are as follows:

Officers:

President: Henry H. Bradley

Chief Operating Officer: Bill Severn

Executive VP and Asst. Secretary: David R. Bradley

Executive VP and Asst. Secretary: Lyle E. Leimkuhler

Directors:

Henry H. Bradley

David R. Bradley

Lyle E. Leimkuhler

3. News-Press & Gazette Company owns one hundred percent (100%) of the shares of Applicant.

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION
CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****MERCURY VOICE AND DATA COMPANY*****

a foreign corporation organized under the laws of Missouri did obtain authority to transact business in the State of Arizona on the 4th day of August 2006.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 21st Day of July, 2008, A. D.


Executive Director

Order Number: 254504

Attachment B

Proposed Tariffs

07/07/06

**ARIZONA RESALE AND FACILITIES-BASED COMPETITIVE LOCAL EXCHANGE
TELECOMMUNICATIONS TARIFF**

OF

MERCURY VOICE AND DATA COMPANY

825 Edmond Street
St. Joseph, MO 64501

Mercury Voice and Data Company operates as a competitive telecommunications company within the State of Arizona.

This tariff contains the descriptions, regulations, and rates applicable to the resale of telecommunication services provided by Mercury Voice and Data Company with offices at 825 Edmond Street, St. Joseph, MO 64501.

This tariff applies to services furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued: August 6, 2008

Effective: _____

By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

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SUPPLEMENTAL SERVICES	Section 6
RATES	Section 7
TOLL SERVICES	Section 8
ACCESS SERVICES	Section 9
SPECIAL ARRANGEMENTS	Section 10
PROMOTIONS	Section 11

Issued: August 6, 2008

Effective: _____

By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

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Issued: August 6, 2008

Effective: _____

By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

ALPHABETICAL SUBJECT INDEX, (CONT'D.)

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Issued: August 6, 2008

Effective: _____

By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

EXPLANATION OF SYMBOLS

Changes to this tariff shall be identified on the revised page(s) through the use of symbols. The following are the only symbols used for the purposes indicated below:

- (C) To signify a change in regulation.
- (D) To signify a discontinued rate or regulation.
- (I) To signify an increase in rate or charge.
- (M) To signify material relocated from one page to another without change.
- (N) To signify a new rate or regulation.
- (R) To signify a reduced rate or charge.
- (S) To signify a correction or reissued matter.
- (T) To signify a change or regulation but no change in rate or charge.

Issued: August 6, 2008

Effective: _____

By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

STATEMENT OF COMPETITIVE CARRIER STATUS

Mercury Voice and Data Company is classified as a competitive telecommunications company in Arizona and offers services deemed competitive by the Arizona Corporation Commission under A.A.C. R14-2-1108.

Issued: August 6, 2008

Effective: _____

By:

**Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501**

TARIFF FORMAT

Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.

Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Arizona Corporation Commission. For example, the 4th Revised Page 14 cancels the 3rd Revised Page 14.

Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2.
2.1.
2.1.1.
2.1.1.A.
2.1.1.A.1.
2.1.1.A.1.(a).
2.1.1.A.1.(a).I.
2.1.1.A.1.(a).I.(i).
2.1.1.A.1.(a).I.(i).(1).

Issued: August 6, 2008

Effective: _____

By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

INTRODUCTION

This tariff applies to the Company's resale and facilities-based offering of local exchange telecommunications services, upon receiving a customer request for service, within the State of Arizona.

Issued: August 6, 2008

Effective: _____

By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

APPLICATION OF TARIFF

This tariff contains the regulations, rates and charges applicable to the provision of facilities-based and resold local exchange telecommunications service by Mercury Voice and Data Company, for use by customers in the state of Arizona.

This tariff is on file with the Arizona Corporation Commission. In addition, this tariff is available for review at the main office of Mercury Voice and Data Company, at 825 Edmond Street, St. Joseph, MO 64501.

Applications for initial or additional services made verbally or in writing become a contract on establishment of the service or facility.

Issued: August 6, 2008

Effective: _____

By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

SECTION 1 -- DEFINITIONS

Advance Payment - Payment of all or part of a charge required before the start of service.

Authorization Code - A numerical code, one or more of which may be assigned to a Customer, to enable Carrier to identify the origin of service of the Customer so it may rate and bill the call. All authorization codes shall be the sole property of Carrier and no Customer shall have any property or other right or interest in the use of any particular authorization code. Automatic numbering identification (ANI) may be used as or in connection with the authorization code.

Authorized User - A person, corporation or other entity that is authorized by the Company or Customer to utilize services provided by the Company to the Customer. The Customer is responsible for all charges incurred by an Authorized User.

Automatic Numbering Identification (ANI) - A type of signaling provided by a local exchange telephone company which automatically identifies the local exchange line from which a call originates.

Commission - The Arizona Corporation Commission.

Common Carrier - An authorized company or entity providing telecommunications services to the public

Company - Mercury Voice and Data Company, the issuer of this tariff.

Customer - The person, firm or corporation that orders service and is responsible for the payment of charges and compliance with the terms and conditions of this tariff.

Customer Premises - A location designated by the Customer for the purposes of connecting to the Company's services.

Customer Terminal Equipment - Terminal equipment provided by the Customer.

Issued: August 6, 2008

Effective: _____

By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

SECTION 1 – DEFINITIONS, (CONT'D.)

End Office - The LEC switching system office or serving wire center where Customer station loops are terminated for purposes of interconnection to each other and/or to trunks.

Equal Access - A form of dialed access provided by local exchange companies whereby interexchange calls dialed by the Customer are automatically routed to the Company network. Presubscribed Customers may also route interexchange calls to the Company network by dialing an access code supplied by the Company.

Exchange Telephone Company or Telephone Company - Denotes any individual, partnership, association, joint-stock company, trust, or corporation authorized by the appropriate regulatory bodies to engage in providing public switched communication service throughout an exchange area, and between exchange areas within the LATA.

Individual Case Basis (ICB) - A service arrangement in which the regulations, rates and charges are developed based on the specific circumstances of the Customer's situation.

Interruption - The inability to complete calls due to equipment malfunctions or human errors. Interruption shall not include, and no allowance shall be given for service difficulties such as slow dial tone, circuits busy or other network and/or switching capability shortages. Nor shall Interruption include the failure of any service or facilities provided by a common carrier or other entity other than the Carrier. Any Interruption allowance provided within this Tariff by Carrier shall not apply where service is interrupted by the negligence or willful act of the Customer, or where the Carrier, pursuant to the terms of this Tariff, terminates service because of non-payment of bills, unlawful or improper use of the Carrier's facilities or service, or any other reason covered by this Tariff or by applicable law.

Issued: August 6, 2008

Effective: _____

By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

SECTION 1 – DEFINITIONS, (CONT'D.)

Joint User - A person, firm or corporation designated by the Customer as a user of local exchange service furnished to the Customer by the Company, and to whom a portion of the charges for such facilities are billed under a joint use arrangement.

LATA - A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4, or its successor tariff(s).

LEC - Local Exchange Company refers to the dominant, monopoly local telephone company in the area also served by the Company.

Local Calling - A completed call or telephonic communication between a calling Station and any other Station within the local service area of the Calling Station.

Mercury - Mercury Voice and Data Company, issuer of this tariff.

Monthly Recurring Charges - The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Non-Recurring Charge ("NRC") - The initial charge, usually assessed on a one-time basis, to initiate and establish service.

PIN - Personal Identification Number. See Authorization Code.

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By:

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SECTION 1 – DEFINITIONS, (CONT'D.)

Premises - The space occupied by a Customer or authorized user in a building or buildings or contiguous property not separated by a public right of way.

Recurring Charges - Monthly charges to the Customer for services, and equipment, which continues for the agreed upon duration of the service.

Service - Any means of service offered herein or any combination thereof.

Service Commencement Date - The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance of service. The parties may mutually agree on a substitute Service Commencement Date.

Service Order - The written or verbal request for Company services by the Customer and the Company in the format devised by the Company. A Service Order initiates the respective obligations of the parties as set forth therein and pursuant to this tariff.

Services - The Company telecommunications services offered on the Company network.

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SECTION 1 – DEFINITIONS, (CONT'D.)

Station - The network control signaling unit and any other equipment provided at the Customer premises that enables the Customer to establish communications connections and to effect communications through such connections.

Subscriber - The person, firm, partnership, corporation, or other entity who orders telecommunications service from the Company. Service may be ordered by, or on behalf of, those who own, lease or otherwise manage the pay telephone, PBX, or other switch vehicle from which an End User places a call utilizing the services of the Company.

Terminal Equipment - Any telecommunications equipment other than the transmission or receiving equipment installed at a Company location.

Usage Charges - Charges for minutes or messages traversing over local exchange facilities.

User or End User - A Customer, Joint User, or any other person authorized by a Customer to use service provided under this tariff.

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SECTION 2 – RULES AND REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish communications service pursuant to the terms of this tariff in connection with one-way and/or two-way information transmission between points within the State of Arizona, and terminating within a local calling area as defined herein.

The Company is responsible under this tariff only for the services and facilities provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own customers.

2.1.2 Shortage of Equipment or Facilities

- A. The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond Company control.
- B. The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions

- A. Service is provided on the basis of a minimum period of at least thirty (30) days, 24-hours per day. For the purpose of computing charges in this rate sheet, a month is considered to have thirty (30) days.
- B. Except as otherwise stated in this tariff, Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.
- C. At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month-to-month basis at the then current rates unless terminated by either party upon notice. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the Service Order and this tariff prior to termination. The rights and obligations that by their nature extend beyond the termination of the term of the Service Order shall survive such termination.
- D. In any action between the parties to enforce any provision of this tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.
- E. Service may be terminated upon written notice to the Customer if:
 - 1 the Customer is using the service in violation of this tariff; or
 - 2 the Customer is using the service in violation of the law.
- F. This tariff shall be interpreted and governed by the laws of the State of Arizona without regard for its choice of laws provision.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions, (Cont'd.)

- G. Any other telephone company may not interfere with the right of any person or entity to obtain service directly from the Company. No person or entity shall be required to make any payment, incur any penalty, monetary or otherwise, or purchase any services in order to have the right to obtain service directly from the Company.
- H. To the extent that either the Company or any other telephone company exercises control over available cable pairs, conduit, duct space, raceways, or other facilities needed by the other to reach a person or entity, the party exercising such control shall make them available to the other on terms equivalent to those under which the Company makes similar facilities under its control available to its Customers. At the reasonable request of either party, the Company and the other telephone company shall join the attempt to obtain from the owner of the property access for the other party to serve a person or entity.
- I. The Company hereby reserves its rights to establish service packages specific to a particular Customer. These contracts may or may not be associated with volume and/or term discounts. All service packages established by the Company will be approved by the Commission prior to the furnishing of service.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability

- A. Except for the credit allowance specified in Section 2.7, the Company shall not be liable for any claim or loss, expense or damage, due to any Interruption, delay, error, omission, or defect in any service, facility, or transmission provided under the tariff. In no event will the Company be liable for any direct, indirect, consequential, incidental, exemplary, punitive, or special damages, or for any lost income or profits, for any reason whatsoever, even if Company is advised of the possibility of the same.
- B. The Company shall not be liable for any claim or loss, expense, or damage, due to any Interruption, delay, error, omission, or other defect in service, facility, or transmission provided under this tariff, if caused by or resulting from: any person or entity other than the Company; any malfunction of any service or facility provided by any person other than the Company; labor difficulties; fire, flood, earthquake, or any other act of God; explosion; war; riot or civil disturbance; any law, order, regulation, direction, action or request of any federal, state or local government or any department, agency, commission, bureau, or other instrumentality of federal, state or local government; or by any other cause beyond the Company's control.
- C. The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and Service has been discontinued, to a refund of the amount erroneously billed.

2.1.5 The Company shall not be liable for and shall be fully indemnified and held harmless by Customer against any claim of loss, expense, or damage, including indirect, special, or consequential damage for:

- A. Defamation, libel, slander, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name, or service mark, unfair competition, interference with or misappropriation, or violation of any contract, proprietary or creative right, or any other injury to any person, property, or entity arising from the material, data, information, or content revealed to, transmitted, processed, handled, or used by the Company under this tariff;

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.5 (Cont'd.)

- B. Connecting, combining, or adapting the Company's facilities with Customer's apparatus or systems;
- C. Any loss, destruction or damage to property of the Company, the Customer, or any third party, or the death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives, family members or invitees;
- D. Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of the Company or any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by this tariff or any agreement between the Customer and the Company; or
- E. Any personal injury or death of any person or for any loss of or damage to the premises, equipment or other property owned by Customer or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use, or removal of equipment or wiring provided by the Company, if not caused by gross negligence of the Company.

2.1.6 No agent or employee of any other carrier shall be deemed to be an agent or employee of the Company.

2.1.7 THE COMPANY MAKES NO WARRANTY REGARDING THE PROVISION OF SERVICE PURSUANT TO THIS TARIFF, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.8 Directory Errors – In the absence of gross negligence or willful misconduct, no liability for damages arising from errors or mistakes in or omissions of directory listings, or errors or mistakes in or omissions of listing obtainable from the directory assistance operator, including errors in the reporting thereof, shall attach to the Company. An allowance for errors or mistakes in or omissions of published directory listings or for errors or mistakes in or omissions of listing obtainable from the directory assistance operator shall be at the monthly tariff rate for each listing, or in the case of a free or no-charge directory listing, credit shall equal two times the monthly tariff rate for an additional listing, for the life of the directory or the charge period during which the error, mistake or omission occurs.

2.1.9 With respect to Emergency Number 911 Service:

- A. This service is offered solely as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made instituted or asserted by the Customer or by any other party or person for any personal injury or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by: (1) mistakes, omissions, Interruptions, delays, errors or other defects in the provision of service, or (2) installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of any equipment and facilities furnishing this service.
- B. The Company is not responsible for any infringement, nor invasion of the right of privacy of any person or persons, caused or claimed to have been caused directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of emergency 911 service features and the equipment associated therewith, or by any services furnished by the Company, including, but not limited to the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing emergency 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its users, agencies or municipalities, or the employees or agents of any one of them.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.9 With respect to Emergency Number 911 Service, (Cont'd.)

- C. When a Customer with a nonpublished telephone number, as defined herein, places a call to the emergency 911 service, the Company will release the name and address of the calling party, where such information can be determined, to the appropriate local governmental authority responsible for emergency 911 service upon request of such governmental authority. By subscribing to service under this tariff, the Customer acknowledges and agrees with the release of information as described above.

2.1.10 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.11 Provision of Equipment and Facilities

- A. The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.
- B. The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- C. The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.
- D. Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which it was provided.
- E. The Customer shall be responsible for the payment of service charges as set forth herein for visits by Company agents or employees to the Customer Premises when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.11 Provision of Equipment and Facilities, (Cont'd.)

F. The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:

- 1 the transmission of signals by Customer-provided equipment or the quality of, or defects in, such transmission; or
- 2 the reception of signals by Customer-provided equipment.

2.1.12 Non-routine Installation

At the Customer's request, installation and/or maintenance may be performed outside Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours, but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.13 Special Construction

Subject to the agreement of the Company and to all of the regulations contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is that construction undertaken:

- A. where facilities are not presently available, and there is no other requirement for the facilities so constructed;
- B. of a type other than that which the Company would normally utilize in the furnishing of its services;
- C. over a route other than that which the Company would normally utilize in the furnishing of its services;
- D. in a quantity greater than that which the Company would normally construct;
- E. on an expedited basis;
- F. on a temporary basis until permanent facilities are available;
- G. involving abnormal costs; or
- H. in advance of its normal construction.

2.1.14 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its partners, agents, contractors or suppliers.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.2 Prohibited Uses

- 2.2.1** The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- 2.2.2** The Company may require applicants for service who intend to use Company offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company offerings complies with relevant laws and with the regulations, policies, orders, and decisions of the Arizona Corporation Commission.
- 2.2.3** The Company may block any signals being transmitted over its Network by Customers who cause interference to the Company or other users. Customer shall be relieved of all obligations to make payments for charges relating to any blocked Service and shall indemnify the Company for any claim, judgment or liability resulting from such blockage.
- 2.2.4** A Customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer

2.3.1 General

The Customer is responsible for making proper application for service; placing any necessary order, complying with tariff regulations; payment of charges for services provided. Specific Customer responsibilities include, but are not limited to the following:

- A. the payment of all applicable charges pursuant to this tariff;
- B. damage to or loss of Company facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;
- C. providing at no charge, as specified from time to time by the Company, any needed personnel, equipment space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;
- D. obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduits necessary for installation of fiber optic cable and associated equipment used to provide communication services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1.C. Any and all costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.1 General, (Cont'd.)

- E.** providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining Company facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company opinion, injury or damage to Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. asbestos) prior to any construction or installation work;
- F.** complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to the location of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under Section 2.3.1.D; and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- G.** not creating, or allowing to be placed, any liens or other encumbrances on Company equipment or facilities; and
- H.** making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.2 Liability of the Customer

- A. The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invites, or contractors where such acts or omissions are not the direct result of Company negligence or intentional misconduct.
- B. To the extent caused by any negligent or intentional act of the Customer as described in 2.3.2.A, preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, for (1) any loss, destruction or damage to property of any third party, and (2) any liability incurred by the Company to any third party pursuant to this or any other tariff of the Company, or otherwise, for any Interruption of, interference to, or other defect in any service provided by the Company to such third party.
- C. The Customer shall not assert any claim against any other Customer or user of Company services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this tariff including but not limited to mistakes, omissions, Interruptions, delays, errors or other defects or misrepresentations, whether or not such other Customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other Customer or user and not by any act or omission of the Company. Nothing in this tariff is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels

2.4.1 General

A User may transmit or receive information or signals via the facilities of the Company. Company services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this tariff. A User may transmit any form of signal that is compatible with Company equipment, but the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this tariff.

2.4.2 Station Equipment

- A. Terminal equipment on the User's Premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the User. The User is responsible for the provision of wiring or cable to connect its terminal equipment to the Company point of connection.
- B. The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to Company employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense, subject to prior Customer approval of the equipment expense.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.3 Interconnection of Facilities

- A. Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing communication services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.
- B. Communication services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers that are applicable to such connections.
- C. Facilities furnished under this tariff may be connected to Customer-provided terminal equipment in accordance with the provisions of this tariff. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all User-provided wiring shall be installed and maintained in compliance with those regulations.
- D. Users may interconnect communications facilities that are used in whole or in part for interstate communications to services provided under this tariff only to the extent that the user is an "End User" as defined in Section 69.2(m), Title 47, Code of Federal Regulations (1992 edition).

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.4 Inspections

- A. Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2.A for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.
- B. If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer and to all Authorized Users by the Customer, regardless of whether those services are used by the Customer itself or are resold to or shared with other persons.

The Customer is responsible for the payment of federal excise taxes, state and local sales and use taxes and similar taxes imposed by governmental jurisdictions, all of which shall be separately designated on the Company's invoices. The Company will not separately charge for all applicable Arizona state and local taxes on the Company's invoice for local services. Any taxes imposed by a local jurisdiction (e.g., county and municipal) will only be recovered from those Customers residing in the affected jurisdictions.

The security of the Customer's PIN is the responsibility of the Customer. All calls placed using a PIN shall be billed to and shall be the obligation of the Customer. The Customer shall not be responsible for charges in connection with the unauthorized use of PINs arising after the Customer notifies the Company of the loss, theft, or other breach of security of such PINs.

Customers will only be charged once, on either an interstate or intrastate basis, for any nonrecurring charges.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.2 Billing and Collection of Charges

The Customer is responsible for payment of all charges incurred by the Customer or other Authorized Users for services and facilities furnished to the Customer by the Company.

- A. Nonrecurring charges are due and payable within thirty (30) days after the invoice date, unless otherwise agreed to in advance.
- B. The Company shall present invoices for Recurring Charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within thirty (30) days after the invoice date. When billing is based on customer usage, charges will be billed monthly for the preceding billing periods.
- C. The Monthly Recurring Charges are billed in advance. Monthly Recurring Charges are accrued in full as of the first day of the billing cycle in which the service is furnished. Therefore, the Monthly Recurring Charges are not subject to pro-rating if service is disconnected prior to the end of a billing period.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.2 Billing and Collection of Charges, (Cont'd.)

- D.** Billing of the Customer by the Company will begin on the Service Commencement Date, which is the first day following the date on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- E.** The following information will appear on residential bills:
- the number of access lines for which charges are stated
 - the beginning or ending dates of the billing period
 - the date the bill becomes delinquent if not paid on time
 - the unpaid balance (if any)
 - the amount for basic service and an itemization of the amount due for toll service, if applicable, including the date and duration of each toll call
 - an itemization of the amount due for taxes, franchise fees, universal service fund, 911 surcharges (if applicable) and other surcharges as may be necessary and appropriate
 - the total amount due
 - if applicable, the amount of a deposit and interest accrued on a deposit which has been credited to the charges stated
 - a telephone number where inquiries may be made
- F.** During the first billing period in which a residential Customer receives service, the Company provides each Customer an insert or other written notice that contains an itemized account of the charges for the equipment and service for which the customer has contracted.

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By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.3 Late Payment Fee

If any portion of amount owed to the Company by the Customer is not received by the Company within 30 days following the invoice date, or if any portion of the Customer's payment is received by the Company in funds which are not immediately available upon presentment, then a late payment charge of \$20 for each billing cycle shall be due to the Company until the full amount owed to the Company is paid.

2.5.4 Return Check Charge

The Company will assess a return check charge of up to \$25.00, whenever a check or draft presented for payment of service is not accepted by the institution on which it is written, including for insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank or other financial institution.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.5 Disputed Bills

- A. In the event that a billing dispute occurs concerning any charges billed to the Customer by the Company, the Customer should contact the Company at the address or telephone number provided on the bill. The Company may require the Customer to pay the undisputed portion of the bill to avoid discontinuance of service for non-payment. The Customer will submit all documentation as may reasonably be required to support the claim. All claims must be submitted to the Company within 90 days of receipt of billing for those services. If the Customer does not submit a claim as stated above, the Customer waives all rights to filing a claim thereafter.
- B. The Customer should notify the Company of any disputed items on an invoice within thirty (30) days of receipt of the invoice. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Arizona Corporation Commission in accordance with the Commission's rules of procedure. The address of the Commission is as follows:

Arizona Corporation Commission
Consumer Services Section
1200 W. Washington Street
Phoenix, AZ 85007
- C. If the dispute is resolved in favor of the Customer and the Customer has withheld the disputed amount, no interest, credits or penalties will apply.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.6 Advance Payments

To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished. The advance payment will not exceed an amount equal to the non-recurring charge(s) and one (1) month's charges for the service or facility, and additional one (1) month advance payment may be required for each subsequent month. In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill. Advance payments do not accrue interest. An advance payment may be required in addition to a deposit.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.7 Deposits

Any applicant or Customer whose financial responsibility is not established to the satisfaction of the Company may be required to deposit a sum up to an amount equal to the total of the estimated local service and intraLATA toll charges for up to two months for the facilities and service.

The fact that a deposit has been made shall in no way relieve the applicant or Customer from complying with the tariff regulations for the prompt payment of bills on presentation. Each applicant from whom a deposit is collected will be given a certificate of deposit and circular containing the terms and conditions applicable to deposits, in accordance with the rules and regulations of the Commission pertaining to Customer deposits.

A. Interest on Deposits

Interest will be paid on residential deposits. The rate shall be equal to one percent (1%) above the prime lending rate as published in the Wall Street Journal. This rate shall be adjusted annually on December 1 using the prime lending rate, as published in the Wall Street Journal on the last business day of September of each year plus one (1%). The interest shall be credited annually upon the account of the customer or paid upon the return of the deposit, whichever occurs first. Interest shall not accrue on any deposit after the date on which a reasonable effort has been made to return it to the customer. Records shall be kept of efforts made to return a deposit.

B. Inadequate Deposit

If the amount of a deposit is proven to be less than required to meet the requirements specified above, the Customer shall be required to pay an additional deposit upon request.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.7 Deposits, (Cont'd.)

C. Return of Deposit

When a deposit is to be returned, the Customer may request that the full amount of the deposit be issued by check. If the Customer requests that the full amount be credited to amounts owed the Company, the Company will process the transaction on the billing date and apply the deposit to any amount currently owed to the Company, and return any remaining amount of the deposit to the Customer by check.

D. The Company shall keep a record of each cash deposit until the deposit is returned. The record will show the name of each Customer making a deposit; the premises occupied by the Customer when making the deposit and each successive premises occupied while the deposit is retained by the Company; the amount and date of making the deposit; and a record of each transaction, such as the payment of interest, interest credited, etc., concerning the deposit. Concurrently with receiving a deposit, the Company will provide the Customer a receipt showing the deposit date, the name and billing address of the Customer and the deposit amount.

E. Upon discontinuance of service, or when a Customer has established credit by other means, the Company will promptly refund any deposit, plus accrued simple interest, or the balance, if any, in excess of the unpaid bills for the services furnished by the company. A transfer of service from one location to another within the Company serving area shall not be deemed a discontinuance with the Company if the character of the service remains unchanged.

F. Deposits will be refunded after twelve months of timely payment, with interest as specified above.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.8 Cancellation of Application for Service

- A. Applications for service cannot be canceled without Company agreement. Where the Company permits a Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
- B. Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- C. Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred by the Company, less net salvage, applies. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.
- D. The special charges described above will be calculated and applied on a case-by-case basis.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.9 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.6 Discontinuance of Service

2.6.1 Service may be discontinued for any of the following reasons:

- A. nonpayment of an undisputed delinquent charge;
- B. unauthorized use of telephone utility equipment in a manner which creates an unsafe condition or creates the possibility of damage or destruction to such equipment;
- C. failure to substantially comply with terms of a settlement agreement;
- D. refusal after reasonable notice to permit inspection, maintenance or replacement of telephone utility equipment;
- E. material misrepresentation of identity in obtaining telephone utility service;
- F. as approved by federal or state law.

2.6.2 Service may not be discontinued by the Company for failure to pay charges not subject to Arizona Corporation Commission's jurisdiction unless specifically authorized in this tariff.

2.6.3 Residential service may be discontinued during normal business hours on or after the date specified in the notice of discontinuance. Service shall not be discontinued on a day when the offices of the Company are not available to facilitate reconnection of service or on a day immediately preceding such day.

2.6.4 Customers shall have 21 days from the rendition of a bill to pay the charges stated.

2.6.5 Residential service shall not be discontinued unless written notice by first-class mail is sent to the customer at least ten (10) days prior to the date of the proposed discontinuance. All notices shall be sent on the 5th of the month.

2.6.6 At least 24 hours preceding a discontinuance the Company shall make reasonable efforts to contact the customer to advise of the proposed discontinuance and what steps must be taken to avoid it.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.7 Allowances for Interruptions in Service

2.7.1 Except as set forth in Section 2.7.2, a customer will be entitled to a credit allowance for an Interruption of service which is caused by or occurs in facilities or equipment owned, provided and billed for, by the Company. The credit allowance shall be the sole remedy of Customer and the sole liability of the Company. For purposes of computing a credit allowance, a month consists of 720 hours. The Company will credit the Customer's account at the rate of 1/720th of the monthly charge for each full hour of any Interruption. The Customer must notify the Company immediately of any Interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within his control, or is not in wiring or equipment, if any, furnished by the Customer.

2.7.2 No credit allowance will be made for:

- A. interruptions due to the Company's testing or adjusting;
- B. interruptions due to the negligence of, or noncompliance with the provisions of this tariff by the Customer or any other person or by the common carrier providing service connected to the Service of the Company;
- C. interruptions due to the act or omission of any person other than the Company, including but not limited to, the Customer or other common carriers connected to the Company's facilities;
- D. interruptions due to the failure or malfunction of non-Company equipment;
- E. interruptions of Service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- F. interruptions of Service during a period in which the Customer continues to use the Service on an impaired basis;
- G. interruptions of Service during any period when the Customer has released Service to the Company for maintenance purposes or for implementation of a Customer order for a change in Service arrangements; and

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-
- H. interruption of Service due to circumstances or causes beyond the control of the Company.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.7 Allowances for Interruptions in Service, (Cont'd.)

2.7.3 Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of Interruption, the Customer must pay the charges for the alternative service used.

2.7.4 Application of Credits for Interruptions in Service

- A. Credits for Interruptions in service that is provided and billed on a flat rate basis for a minimum period of at least one month, beginning on the date that billing becomes effective, shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which the event that gave rise to the claim for a credit occurred. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the Interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.8 Use of Customer's Service by Others

2.8.1 Joint Use Arrangements

Joint use arrangements will be permitted for all services provided under this tariff. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from the designated Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each joint user shall be responsible for the payment of the charges billed to it.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.9 Cancellation by Customer

Customers may cancel service verbally or in writing. The Company shall hold the Customer responsible for payment of all charges, including fixed fees, surcharges, etc., which accrue up to the cancellation date. Customers that cancel the primary local exchange line will have the entire account disconnected, including any secondary line and all associated features. In the event the Customer executes a term commitment agreement with the Company, the Customer must cancel service and terminate the agreement in accordance with the agreement terms.

2.10 Cancellation of Service/Termination Liability

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in Section 2.7.1 above), the Customer agrees to pay to the Company termination liability charges, as defined below. These charges shall become due as of the effective date of the cancellation or termination and be payable within the period set forth in Section 2.5.2.

2.10.1 Termination Liability

The Customer's termination liability for cancellation of service shall be equal to:

- A. all unpaid Non-Recurring charges reasonably expended by the Company to establish service to the Customer; plus
- B. any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of the Customer; plus
- C. all Recurring Charges specified in the applicable Service Order Tariff for the balance of the then current term discounted at the prime rate announced in the Wall Street Journal on the third business day following the date of cancellation;
- D. minus a reasonable allowance for costs avoided by the Company as a direct result of the Customer's cancellation.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.11 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties:

2.11.1 to any subsidiary, parent company or affiliate of the Company; or

2.11.2 pursuant to any sale or transfer of substantially all the assets of the Company; or

2.11.3 pursuant to any financing, merger or reorganization of the Company.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.12 Customer Liability for Unauthorized Use of the Network

Unauthorized use of the network occurs when a person or entity that does not have actual, apparent, or implied authority to use the network, obtains Company services provided under this tariff.

2.12.1 Customer Liability for Fraud and Unauthorized Use of the Network

- A. The Customer is liable for the unauthorized use of the network obtained through the fraudulent use of a Company calling card, if such a card is offered by the Company, or an accepted credit card, provided that the unauthorized use occurs before the Company has been notified.
- B. A Company calling card is a telephone calling card issued by the Company at the Customer's request, which enables the Customer or user(s) authorized by the Customer to place calls over the Network and to have the charges for such calls billed to the Customer's account.

An accepted credit card is any credit card that a cardholder has requested or applied for and received, or has signed, used, or authorized another person to use to obtain credit. Any credit card issued as a renewal or substitute in accordance with this paragraph is an accepted credit card when received by the cardholder.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.12 Customer Liability for Unauthorized Use of the Network, (Cont'd.)

2.12.1 Customer Liability for Fraud and Unauthorized Use of the Network, (Cont'd.)

- C. The Customer must give the Company written or oral notice that an unauthorized use of a Company calling card or an accepted credit card has occurred or may occur as a result of loss, and/or theft.
- D. The Customer is responsible for payment of all charges for calling card services furnished to the Customer or to users authorized by the Customer to use service provided under this tariff, unless due to the negligence of the Company. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by third parties, the Customer's employees, or the public.

The liability of the Customer for unauthorized use of the Network by credit card fraud will not exceed the lesser of fifty dollars (\$50.00) or the amount of money, property, labor, or services obtained by the unauthorized user before notification to the Company.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.13 Notices and Communications

- 2.13.1 The Customer shall designate on the Service Order the address to which the Company shall mail or deliver all notices and other communications, except that the Customer may also designate a separate address to which Company bills for service shall be mailed.
- 2.13.2 The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- 2.13.3 Except as otherwise stated in this tariff, all notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.13.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

2.14 Taxes, Fees and Surcharges

The Company reserves the right to bill any and all applicable taxes, fees and surcharges in addition to normal rates and charges for services provided to the Customer. Taxes and fees include, but are not limited to, Federal Excise Tax, State Sales Tax, Municipal Tax, and Gross Receipts Tax. Unless otherwise specified in this rate sheet, such taxes, fees and surcharges are in addition to rates as quoted in this rate sheet and will be itemized separately on Customer invoices. All charges and fees subject to the Commission's jurisdiction, except taxes and franchise fees, will be submitted to the Commission for prior approval.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.14 Taxes, Fees and Surcharges, (Cont'd.)

2.14.1 Arizona Universal Service Fund

- A. The Company will place, on each retail end-user customer's bill, a surcharge equal to the Arizona Universal Service Fund percentage assessment ordered by the Arizona Corporation Commission.
- B. The surcharge will appear as a separate line item detailed as "Arizona Universal Service Fund."
- C. The surcharge percentage will be calculated in accordance with A.A.C. R14-2-1202.

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.15 Miscellaneous Provisions

2.15.1 Telephone Number Changes

Whenever any Customer's telephone number is changed the Company shall intercept all calls to the former number for at least thirty (30) days at no charge and give the calling party the new number provided existing central office equipment will permit, and the Customer so desires.

When service in an existing location is continued for a new Customer, the existing telephone number may be retained by the new Customer only if the former Customer consents in writing, and if all charges against the account are paid or assumed by the new Customer.

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SECTION 3 – SERVICE AREAS

3.1 Local Exchange Service Areas

Local exchange services are provided, subject to availability of facilities and equipment, in the exchanges currently served by Qwest Corporation.

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SECTION 4 – SERVICE CHARGES AND SURCHARGES

4.1 Service Order and Change Charges

Nonrecurring charges apply to processing Service Orders for new service and for changes in service.

Installation Charge - applies to requests for initial connection or establishment of telephone service to the Company. This charge applies to each line installed.

Service Order Change Charges - applies to work associated with Customer-requested changes to existing services, including adding or deleting line features, directory listing changes or additions and billing or contact information changes to Customer accounts. One Service Order Change Charge applies for each change order requested by the Customer. If multiple changes are requested by the Customer and occur on the same order, only one charge applies.

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SECTION 4 – SERVICE CHARGES AND SURCHARGES, (CONT'D.)

4.2 Premises Visit Charge

Premises Visit charges apply when the installation of network access facilities or trouble resolution require a visit to the Customer's premises. This charge applies in addition to the Technician Dispatch Charge.

4.3 Restoral Charge

A restoral charge applies each time a service is reconnected after suspension or termination for nonpayment but before cancellation of the service, as deemed in Section 1 of this Tariff.

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SECTION 4 – SERVICE CHARGES AND SURCHARGES, (CONT'D.)

4.4 Carrier Presubscription

4.4.1 General

Carrier Presubscription is a procedure whereby a Customer designates to the Company the carrier that the Customer wishes to be the carrier of choice for intraLATA and interLATA toll calls. Such calls are automatically directed to the designated carrier, without the need to use carrier access codes or additional dialing to direct the call to the designated carrier. Presubscription does not prevent a Customer who has presubscribed to an IntraLATA or InterLATA toll carrier from using carrier access codes or additional dialing to direct calls to an alternative long distance carrier on a per call basis.

Customers of record will retain their primary interexchange carrier(s) until they request that their dialing arrangements be changed.

4.4.2 Application of Charges

After a Customer's initial selection for a presubscribed toll, for any change thereafter, an Presubscription Change Charge, as set forth below will apply. Customers who request a change in intraLATA and interLATA carriers with the same order will be assessed a single charge per line.

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SECTION 5 – LOCAL EXCHANGE SERVICE

5.1 General

Local exchange service is offered to Customers on a presubscription basis from equal access originating end offices only. Unless otherwise specified, the minimum term is one (1) month. Rates for service may vary by call type and/or term commitment. Usage rates, per call charges and monthly fees may apply. In addition, applicable Service Order and other nonrecurring charges may apply. Call timing is defined in the description for each service. Service is available 24 hours a day, 7 days a week. Service is available where technically feasible and where facilities permit.

Service is provided to business Customers only.

Recurring Charges are billed monthly in advance. Nonrecurring charges for usage and installation or rearrangement of service, as applicable, are billed on the next month's bill.

A one-time set up fee per account may apply.

5.1.1 Application of Business Rates

Business rates apply at the following locations, among others:

1. In offices, stores and factories, and in quarters occupied by clubs, lodges, fraternal societies, schools, colleges, libraries, hospitals, and other business establishments.
2. In residence locations where the place of residence is in the immediate proximity to a place of business and it is evident that the telephone in the residence is or will be used for business purposes, and in residence locations where an extension is located at a place where business rates would apply.
3. In the residence of a practicing physician, dentist, veterinary, surgeon, or other medical practitioner who has no service at business rates at another location.
4. In any residence location where there is substantial business use of the service and the Customer has no service at business rates.

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SECTION 5 – LOCAL EXCHANGE SERVICE, (CONT'D.)

5.1 General, (Cont'd.)

5.1.2 Charges Based on Duration of Use

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

- A. Calls are measured in durational increments identified for each service. All calls that are fractions of a measurement increment are rounded-up to the next whole unit.
- B. Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s). Timing for operator service person-to-person calls starts with completion of the connection to the person called or an acceptable substitute, or to the PBX station called.
- C. Timing terminates on all calls when the calling party hangs up or the Company network receives an off-hook signal from the terminating carrier.
- D. Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.
- E. All times refer to local time.

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SECTION 5 – LOCAL EXCHANGE SERVICE, (CONT'D.)

5.1 General, (Cont'd.)

5.1.3 Service Terms and Conditions

Local exchange service provides a Customer with a telephonic connection to, and a unique telephone number on, the Company switching network that enables the Customer to:

- A. receive calls from other stations on the public switched telephone network;
- B. access the Company Local Calling Services and other Services as set forth in this tariff;
- C. access interexchange calling services of the Company and of other carriers;
- D. access (at no additional charge) to Company operators and business office for service related assistance;
- E. access toll-free telecommunications services such as 800 NPA; and access toll-free emergency services by dialing 0 or 9-1-1 (where available);
- F. access relay services for the hearing and/or speech impaired.

Local exchange service cannot be used to originate calls to caller-paid information services (e.g., 900, 976) provided by other companies. Calls to those numbers and other numbers used for caller-paid information services will be blocked by the Company switch. Each basic local exchange Service corresponds to one or more telephonic communications channels that can be used to place or receive one call at a time.

Individual line local exchange service is comprised of exchange access lines defined as follows:

Exchange Access Line – The service central office line equipment and all the Company plant facilities up to the demarcation point. These facilities are Company-provided and maintained and provide access to and from the telecommunications network for message toll service and for local calling appropriate to the tariffed use offering selected by the Customer.

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SECTION 5 – LOCAL EXCHANGE SERVICE, (CONT'D.)

5.2 Standard Flat Rate Service

Standard Flat Rate Service provides a Customer with analog, voice-grade telephonic communications channels that can be used to place or receive one call at a time. Lines are provided for the connection of Customer-provided wiring, telephone, facsimile machines or other station equipment. Local exchange service lines and trunks are provided on a single party (individual) basis only. No multi-party lines are provided.

Customers receive unlimited calling within their local calling area. No measured or message rate usage charges apply to calls placed to or received from areas within the local calling area.

A nonrecurring installation charge applies as listed in Section 4 of this tariff.

	<u>Per Month</u>
Initial Line:	\$30.40
Additional line, each:	\$30.40

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SECTION 5 – LOCAL EXCHANGE SERVICE, (CONT'D.)

5.3 Local Exchange Package Service

Mercury offers flat rate local exchange service packages to business Customers. Local service is bundled with a selection of calling features. Additional features are available on an a la carte basis.

5.3.1 Package 1 includes the following:

1. One (1) voice line with unlimited local calling.
2. Optional Calling Features Package including:
 - Auto Callback
 - Auto Recall
 - Call Forwarding
 - Call Trace
 - Call Transfer
 - Call Waiting
 - Call Waiting Caller ID
 - Caller ID
 - Caller ID Block
 - Cancel Call Waiting
 - Speed Calling

5.3.2 Package 2 includes the following:

1. One (1) voice line with unlimited local calling.
2. Optional Calling Features Package including:
 - Auto Callback
 - Auto Recall
 - Call Forwarding
 - Call Trace
 - Call Transfer
 - Call Waiting
 - Call Waiting Caller ID
 - Caller ID
 - Caller ID Block
 - Cancel Call Waiting
 - Speed Calling
 - Choice of three (3) Premium Calling Features

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Henry H. Bradley, President
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St. Joseph, MO 64501

SECTION 5 – LOCAL EXCHANGE SERVICE, (CONT'D.)

5.3 Local Exchange Package Service, (Cont'd.)

5.3.3 Optional Fax/Credit Card Line

A basic line, with no features, for use as a dedicated fax or credit card line is available.

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St. Joseph, MO 64501**

SECTION 6 — SUPPLEMENTAL SERVICES

6.1 Optional Calling Features

The features in this section are made available on an individual basis or as part of multiple feature packages. All features are provided subject to availability; features may not be available with all classes of service. Transmission levels may not be sufficient in all cases.

6.1.1 Standard Feature Descriptions

Anonymous Call Rejection – Automatically rejects all calls from withheld numbers.

Automatic Callback - Allows the Customer to automatically redial the last outgoing call.

Automatic Recall – Allows the Customer to return the most recent incoming call, or to hear the last incoming caller's number and then optionally return the call.

Busy Call Forwarding – Forwards incoming calls to an alternative number when the Customer's line is busy.

Call Barring – Allows the Customer to bar outgoing calls to certain types of numbers from their line. The types of call that can be barred are international calls, interstate, interLATA, intraLATA, local calls operator calls, calls to any call service access codes and premium rate calls. Users can enter codes to disable access code barring and to check call barring status.

Call Forwarding – Automatically forwards calls to another number of the Customers choosing.

Call Trace – Allows a Customer to request a trace of the incoming call. This information is provided to the Service Provider, not to the Customer, and may then be passed on to an appropriate authority.

Call Transfer – Allows a Customer to call another party during an existing call and transfer the call to the second party.

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SECTION 6 – SUPPLEMENTAL SERVICES, (CONT'D.)

6.1 Optional Calling Features, (Cont'd.)

6.1.1 Standard Feature Descriptions, (Cont'd.)

Call Waiting – Notifies the Customer that a second call is on the line and allows the Customer to switch between the calls.

Call Waiting with Caller ID – Displays the calling number and/or the calling name (depending on whether the subscriber has calling number Delivery and/or Calling Name Delivery enabled) as part of the notification that a second call is on the line.

Caller ID – Displays the name and number of the incoming caller on the Customer's telephone, if the Customer has a Caller Display screen or Caller Display Unit.

Per line blocking for the blocking of CPN will be available upon request, at no charge, only to the following entities for lines over which the official business of the agency is conducted, including those at the residences of employees/volunteers, where an executive officer of the agency registers a need for blocking and provides the required certification to the Company: (1) private, nonprofit, tax exempt, domestic violence intervention agencies and (2) federal, state and local law enforcement agencies.

The CPN will not be transmitted from a line equipped with this capability. Per line blocking is operational on a continuous basis but can be deactivated by the Customer by dialing an access code immediately prior to placing a call. Line blocking Customer can unblock their CPN information on a per call basis, at no charge, by dialing an access code (*82 on their touch tone pad or 1182 from a rotary phone) immediately prior to placing a call.

A Customer may prevent the delivery of their calling name and/or number to the called party by dialing an access code (*67 on their touch tone pad or 1167 from a rotary phone) immediately prior to placing a call. The access code will activate per call blocking, which is available at no charge. If the calling party activates blocking, the CPN will not be transmitted across the line to the called party. Instead, Calling Line Identification Customers will receive an anonymous indicator. This anonymous indicator notifies the Caller ID Customer that the calling party has elected to block the delivery of their name and telephone number. The blocking of CPN will not be provided on calls originating from Customer Owned Pay Telephones. If the Caller ID Customer also subscribes to Anonymous Call Rejection, the calling party will be routed to a telephone company recording advising the caller that the called party will not accept calls whose CPN has been blocked.

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SECTION 6 – SUPPLEMENTAL SERVICES, (CONT'D.)

6.1 Optional Calling Features, (Cont'd.)

6.1.1 Standard Feature Descriptions, (Cont'd.)

Caller ID, (Cont'd.)

Any Customer subscribing to Caller ID will be responsible for the provision of a display device that will be located on the Customer's premises. The installation, repair and technical capability of that equipment to function in conjunction with the feature specified herein will be the responsibility of the Customer. The Company assumes no liability and will be held harmless for any incompatibility of this equipment to perform satisfactorily with the network features described herein.

Telephone CPN information transmitted via Caller ID is intended solely for the use of the Caller ID Subscriber. Resale of this information is prohibited by this tariff. CPN will not be displayed if the called party is off-hook or if the called party answers during the first ring interval. CPN will be displayed for calls made from another central office only if it is linked by appropriate facilities. Caller ID is not available on operator handled calls.

Cancel Call Waiting – Allows a Call Waiting Customer to disable call waiting for an individual call, so that important calls are not interrupted.

Priority Call – Allows the Customer to select a list of numbers from which incoming calls will ring with a distinctive tone.

Remote Access to Call Forwarding – Allows a Call Forwarding Customer to access and change their call forwarding configuration from any phone.

Selective Call Forwarding – Allows Customer to select a list of calling numbers whose calls will automatically be forwarded. Calls from this list are forwarded to a single alternative forwarding number.

Speed Calling – Allows a one-digit or two-digit code to be used as a shortcut for selected phone numbers.

Three-Way Calling – Allows the Customer to call another party during an existing call and add this party to the call, creating a three-way conversation.

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SECTION 6 – SUPPLEMENTAL SERVICES, (CONT'D.)

6.1 Optional Calling Features, (Cont'd.)

6.1.2 Premium Feature Descriptions

Find Me Follow Me – Provides a way for Customer to configure additional numbers that will be rung instead of or as well as the Customer's own number. A pre-defined order is used to determine which number to ring next. Allows the Customer to set up to 32 rules that establish an order for numbers to be rung.

Hunting – Forwards an incoming call by going through a list of alternative numbers until it finds a line that is not busy and can accept the call. The hunt sequence can be either regular or circular.

Regular Hunting – the search stops when the end of the list is reached.

Circular Hunting – the search continued to circle through the list of numbers until the caller hangs up.

Mandatory Account Codes – Allows a Customer to correlate their outgoing calls with a numerical account code, which is reported in billing information for the call. The following types of calls can be configured to require an account code: international, local operator, premium Directory enquiries, local business group, other business group, long distance, regional, carrier dialed.

Off Premise Extension – Allows an individual line to be associated with a second physical telephone line on a different access device, typically in a different location. The two lines act exactly as two extensions of the same line would operate. Service can be used when a Customer wants to install an extension line in a location that is too far to run an extension cable.

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SECTION 6 – SUPPLEMENTAL SERVICES, (CONT'D.)

6.1 Optional Calling Features, (Cont'd.)

6.1.2 Premium Feature Descriptions, (Cont'd.)

Personal Communication Manager Service – Allows the Customer to manage his or her telephone service from a PC-based application supported by the Personal Communication Manager (PCM). All incoming and outgoing calls are passed to the PCM during processing, to allow the PCM to record details of the call.

Voice Mail – Redirects unanswered or busy calls to a voicemail service. Two types of indicators are available to notify Customers that there is a message waiting.

Audible Message Waiting Indicator – Provides a stutter dial tone when there is a message waiting.

Visual Message Waiting Indicator – Provides a constant or flashing light to notify that a message is waiting.

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SECTION 6 – SUPPLEMENTAL SERVICES, (CONT'D.)

6.2 Directory Assistance Services

6.2.1 Local Directory Assistance

A Customer may obtain Directory Assistance in determining telephone numbers by calling the Directory Assistance operator. The Customer may request a maximum of two (2) telephone numbers per call to Directory Assistance service without additional charges.

The rates specified below apply when Customers request company assistance in determining telephone numbers of Customers who are located in the same local service area or who are not located in the same local service area but who are located within the same NPA.

Charges will not apply for calls placed from hospital services or calls placed from telephones where the Customer or, in the case of residence service, a member of the Customer's household, has been affirmed in writing as unable to use a Company provided directory because of a visual, physical or reading handicap.

Unless one of the exceptions listed above applies, the charges as shown below apply for each request made to the Directory Assistance operator:

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SECTION 6 – SUPPLEMENTAL SERVICES, (CONT'D.)

6.2 Directory Assistance Services, (Cont'd.)

6.2.2 Call Completion

Call completion is only available for national directory assistance calls. The charges as shown below apply for each request made to the Directory Assistance Operator in which the operator completes the call to the desired number.

There are no allowances for Directory Assistance Call Completion, however, the Directory Assistance portion of the call is still governed by any appropriate call allowances and exemptions as stated in Section 6.2.1 of this tariff.

6.2.3 National Directory Assistance Service

National Directory Assistance Service is provided to Customers of the Company for the purpose of requesting telephone numbers of individuals or businesses who are located outside the Customer's local Directory Assistance service area.

There are no call allowances or exemptions for National Directory Assistance.

A maximum of two (2) requested telephone numbers are allowed per call.

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SECTION 6 – SUPPLEMENTAL SERVICES, (CONT'D.)

6.3 Operator Services

6.3.1 General

Company operator services, available to presubscribed Customers, are accessible on a twenty-four (24) hours per day seven (7) days per week basis. In addition to the per call service charge, usage rates apply. The types of calls handled are as follows:

Customer Dialed Calling/Credit Card Call – This charge applies in addition to usage charges for station to station calls billed to an authorized Calling Card or Commercial Credit Card. The Customer must dial the destination telephone number where the capability exists for the Customer to do so. A separate rate applies in the event operator assistance is requested for entering the Customer's card number for billing purposes.

Operator Dialed Calling/Credit Card Call – This charge applies in addition to usage charges for station to station calls billed to an authorized telephone Calling Card or Commercial Credit Card and the operator dials the destination telephone number at the request of the Customer.

Operator Station – These charges apply in addition to usage charges for non-Person-to-Person calls placed using the assistance of a Company operator and billed Collect, to a Third Party, or via some method other than a Calling Card or Commercial Credit Card.

Person-to-Person – This charge applies in addition to usage charges for calls placed with the assistance of a Company operator to a particular party at the destination number. This charge applies regardless of billing method, including but not limited to billing to a Calling Card, Commercial Credit Card, Collect or to a Third Party. Charges do not apply unless the specified party or an acceptable substitute is available.

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SECTION 6 – SUPPLEMENTAL SERVICES, (CONT'D.)

6.4 Busy Line Verification and Line Interrupt Service

Upon request of a calling party the Company will verify a busy condition on a designated local service line. The operator will determine if the line is clear or in use and report to the calling party. At the request of the Customer, the operator will interrupt the call on the busy line. Emergency Interruption is only permitted in cases where the calling party indicates an emergency exists and requests interruption.

A Verification Charge will apply when:

- a. The operator verifies that the line is busy with a call in progress, or
- b. The operator verifies that the line is available for incoming calls.

Both a Verification Charge and an Emergency Interrupt Charge will apply when the operator verifies that a called number is busy with a call in progress and the Customer requests interruption. The operator will interrupt the call advising the called party of the name of the calling party and the called party will determine whether to accept the interrupt call. Charges will apply whether or not the called party accepts the interruption.

No charge will apply when the calling party advises that the call is to or from an official public emergency agency. Busy Verification and Emergency Interrupt Service is furnished where and to the extent that facilities permit.

The Customer shall identify and save the Company harmless against all claims that may arise from either party to the interrupted call or any person.

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SECTION 6 – SUPPLEMENTAL SERVICES, (CONT'D.)

6.5 Directory Listing Service

6.5.1 General

Business Customers have several options regarding how their business is listed in the directory.

6.5.2 Listings

A. Primary Listing

One listing, termed the Primary Listing, is included with the service. Additional lines will be billed at the Extra Line rate.

B. Additional Listing

Additional listings may be the listings of individual names of those entitled to use the customer's service or, Departments, Divisions, Tradenames, etc.

C. Foreign Listing

This listing provides a listing in a directory of a community or surrounding area, other than the community in which the company is based.

D. Extra Line

The listing of more than one line for a business, such as a fax line.

E. Specialized Listing

Refers to the visual appearance of the listing in the directory.

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SECTION 6 – SUPPLEMENTAL SERVICES, (CONT'D.)

6.6 911 Emergency Service

- 6.6.1** The Company is obligated to supply the E-911 service provider in the Company service area with information necessary to update the E-911 database at the time the Company submits Customer orders to the local exchange company whose service is being resold or whose lease facilities have been purchased for the provision of local service pursuant to these tariffs.
- 6.6.2** At the time the Company provides basic local service to a Customer by means of the Company's own cable pair, or over any other exclusively owned facility, the Company will be obligated to make the necessary equipment or facility additions in order to properly update the database for E-911.
- 6.6.3** The Company will be obligated to provide facilities to route calls from the end users to the proper Public Safety Answering Point (PSAP). The Company recognizes the authority of the E-911 Customer to establish service specifications and grant final approval or denial of service configurations offered by the Company.
- 6.6.4** The Company will collect 911 surcharges and remit all surcharge revenue to the appropriate governmental entity pursuant to A.R.S. § 42-5251.

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St. Joseph, MO 64501

SECTION 7 — RATES

7.1 Service Charges and Surcharges

7.1.1 Service Order and Change Charges

New Installation Charge, per line: \$49.44

Service Order Change Charges, per order:

Change Grade of Service: \$10.25

Change Class of Service: \$12.25

Feature Changes: \$15.65

Telephone Number Change: \$7.75

7.1.2 Premises Visit Charge

Premises Work Charge:

Initial 15 minutes, or fraction: \$42.65

Each Additional 15 minutes, or fraction: \$15.35

7.1.3 Restoral Charge

Restoration, per line: \$14.90

7.1.4 Carrier Presubscription

Per business line, trunk, or port

Initial Line, or Trunk or Port \$5.00

Additional Line, Trunk or Port \$5.00

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SECTION 7 – RATES, (CONT'D.)

7.2 Local Exchange Service

7.2.1 Standard Flat Rate Service

	<u>Per Month</u>
Initial Line:	\$30.40
Additional line, each:	\$30.40

7.2.2 Local Exchange Package Service

	<u>Per Month</u>
Package 1:	\$35.00
Package 2	\$40.00
Fax/Credit Card Line:	\$23.00

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SECTION 7 – RATES, (CONT'D.)

7.3 Supplemental Services

7.3.1 Optional Calling Features

A. Features Offered A La Carte

<u>Standard Features</u>	<u>Monthly Rate</u>
Anonymous Call Rejection	\$1.99
Automatic Callback	\$1.99
Automatic Recall	\$1.99
Busy Call Forwarding	\$1.99
Call Barring	\$1.99
Call Forwarding	\$1.99
Call Transfer	\$1.99
Call Trace	\$1.99
Call Waiting	\$1.99
Call Waiting with Caller ID	\$1.99
Caller ID	\$1.99
Caller ID Block	\$1.99
Cancel Call Waiting	\$1.99
Priority Call	\$1.99
Remote Access to Call Forwarding	\$1.99
Selective Call Forwarding	\$1.99
Selective Call Rejection	\$1.99
Speed Calling	\$1.99
Three Way Calling	\$1.99
 <u>Premium Features</u>	 <u>Monthly Rate</u>
Find Me Follow Me	\$2.99
Hunting	\$2.99
Mandatory Account Codes	\$2.99
Personal Communication Manager Service	\$2.99
Voice Mail w/ Message Waiting Indicator	\$2.99

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SECTION 7 – RATES, (CONT'D.)

7.3 Supplemental Services, (Cont'd.)

7.3.1 Optional Calling Features, (Cont'd.)

B. Feature Packages

1. Pick 5/Pick 3

	<u>Monthly Rate</u>
Any 5 Standard Features:	\$7.95
Any 3 Premium Features:	\$7.95

7.3.2 Directory Assistance Services

A. Local Directory Assistance

	<u>Per query</u>
Local Directory Assistance Direct dialed:	\$0.50

B. Call Completion – national directory assistance

Per completed call	\$0.25 per minute
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C. National Directory Assistance Service

Direct dialed	\$1.37
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SECTION 7 – RATES, (CONT'D.)**7.3 Supplemental Services, (Cont'd.)****7.3.3 Operator Services****A. Usage Charges**

Usage charges for local and intraLATA operator assisted calls are those usage charges that would normally apply to the calling party's service.

B. Operator Surcharges

Operator Dialed Surcharge	\$0.75
Station to Station	\$5.00
Person to Person	\$8.00

C. Per Call Service Charges

Calling Card (fully automated)	\$0.50
Calling Card (semi-automated)	\$1.01
Calling Card (non-automated)	\$1.70
Collect & Third Party Billed (semi-automated)	\$1.11
Collect & Third Party Billed (non-automated)	\$1.70
Person to Person (semi-automated)	\$3.17
Person to Person (non-automated)	\$3.73

7.3.4 Busy Line Verification and Interrupt Service

Busy Line Verification, Per Request	\$1.50
Emergency Interrupt, Per Request	\$2.31

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SECTION 7 – RATES, (CONT'D.)

7.3 Supplemental Services, (Cont'd.)

7.3.5 Directory Listing Service

	<u>Per Year</u>
Additional Listing, each:	\$24.00
Foreign Listing, each:	\$24.00
Extra Line, each:	\$24.00
Specialized Listings	
Bold/Large Font:	\$160.00
1" bordered w/logo	\$420.00
2" bordered with logo	\$600.00
Billboard Listing*:	\$1500.00

* A billboard listing is a bordered, 2" listing that covers the width of the bottom of the page.

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SECTION 8 – TOLL SERVICES

8.1 General

Rates and regulations for the access services offered by the Company may be found in ACC Tariff No. 4 for Mercury Voice and Data Company

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St. Joseph, MO 64501

SECTION 9 – ACCESS SERVICES

9.1 General

Rates and regulations for the access services offered by the Company may be found in ACC Tariff No. 4 for Mercury Voice and Data Company

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825 Edmond Street
St. Joseph, MO 64501**

SECTION 10 -- SPECIAL ARRANGEMENTS

10.1 Special Construction

10.1.1 Basis for Charges

Basis for Charges where the Company furnishes a facility or service for which a rate or charge is not specified in Company tariffs, charges will be based on the costs incurred by the Company (including return) and may include:

- a) nonrecurring charges;
- b) recurring charges;
- c) termination liabilities; or
- d) combinations of (a), (b), and (c).

10.1.2 Basis for Cost Computation

The costs referred to in 10.1.1 preceding may include one or more of the following items to the extent they are applicable:

- A. Costs to install the facilities to be provided including estimated costs for the rearrangements of existing facilities. These costs include:
 - 1. equipment and materials provided or used;
 - 2. engineering, labor, and supervision;
 - 3. transportation; and
 - 4. rights of way and/or any required easements.
- B. Cost of maintenance.
- C. Depreciation on the estimated cost installed of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage.

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SECTION 10 – SPECIAL ARRANGEMENTS, (CONT'D.)

10.1 Special Construction, (Cont'd.)

10.1.2 Basis for Cost Computation, (Cont'd.)

- D. Administration, taxes, and uncollectible revenue on the basis of reasonable average cost for these items.
- E. License preparation, processing, and related fees.
- F. Tariff preparation, processing and related fees.
- G. Any other identifiable costs related to the facilities provided; or
- H. An amount for return and contingencies.

10.1.3 Termination Liability

To the extent that there is no other requirement for use by the Company, a termination liability may apply for facilities specially constructed at the request of a Customer.

- A. The period on which the termination liability is based is the estimated service life of the facilities provided.

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SECTION 10 – SPECIAL ARRANGEMENTS, (CONT'D.)

10.1 Special Construction, (Cont'd.)

10.1.3 Termination Liability, (Cont'd.)

- B.** The amount of the maximum termination liability is equal to the estimated amounts (including return) for:
- 1** Costs to install the facilities to be provided including estimated costs for the rearrangements of existing facilities. These costs include:
 - a.** equipment and materials provided or used;
 - b.** engineering, labor, and supervision;
 - c.** transportation; and
 - d.** rights of way and/or any required easements;
 - 2** license preparation, processing, and related fees;
 - 3** tariff preparation, processing and related fees;
 - 4** cost of removal and restoration, where appropriate; and
 - 5** any other identifiable costs related to the specially constructed or rearranged facilities.
- C.** The termination liability method for calculating the unpaid balance of a term obligation is obtained by multiplying the sum of the amounts determined as set forth in Section 8.1.3.B preceding by a factor related to the unexpired period of liability and the discount rate for return and contingencies. The amount determined in Section 10.1.3.B preceding shall be adjusted to reflect the predetermined estimated net salvage, including any reuse of the facilities provided. This amount shall be adjusted to reflect applicable taxes.

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SECTION 10 – SPECIAL ARRANGEMENTS, (CONT'D.)

10.2 Non-Routine Installation and/or Maintenance

At the Customer's request, installation and/or maintenance may be performed outside Company regular business hours, or (in sole discretion of the Company and subject to any conditions it may impose) in hazardous locations. In such cases, charges based on the cost of labor, material, and other costs incurred by or charged to the Company will apply. If installation is started during regular business hours, but at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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SECTION 11 — PROMOTIONS

11.1 General

Mercury will provide tariff notification to the Commission no less than seven (7) days prior to the beginning of each promotion identifying the promotion, the exchange(s) within which the promotion will be offered, and the start and end dates of the promotion. Mercury will offer all promotions in a non-discriminatory manner.

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By:

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St. Joseph, MO 64501**

**ARIZONA INTEREXCHANGE TELECOMMUNICATIONS TARIFF
OF
MERCURY VOICE AND DATA COMPANY**

Mercury Voice and Data Company will operate as a competitive telecommunications company within the State of Arizona.

This tariff contains the descriptions, regulations, and rates applicable to the resale of telecommunication services provided by Mercury Voice and Data Company with offices at 825 Edmond Street, St. Joseph, MO 64501.

This tariff applies to services furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business in St. Joseph, Missouri.

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By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

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Henry H. Bradley, President
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EXPLANATION OF SYMBOLS

Changes to this tariff shall be identified on the revised page(s) through the use of symbols. The following are the only symbols used for the purposes indicated below:

- (C)** To signify a change in regulation.
- (D)** To signify a discontinued rate or regulation.
- (I)** To signify an increase in rate or charge.
- (M)** To signify material relocated from one page to another without change.
- (N)** To signify a new rate or regulation.
- (R)** To signify a reduced rate or charge.
- (S)** To signify a correction or reissued matter.
- (T)** To signify a change or regulation but no change in rate or charge.

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Henry H. Bradley, President
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STATEMENT OF COMPETITIVE CARRIER STATUS

Mercury Voice and Data Company is classified as a competitive telecommunications company in Arizona and offers services deemed competitive by the Arizona Corporation Commission under A.A.C. R14-2-1108.

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Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

TARIFF FORMAT

Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.

Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Arizona Corporation Commission. For example, the 4th Revised Page 14 cancels the 3rd Revised Page 14.

Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(a).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).(1).

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By:

Henry H. Bradley, President
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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the Customer's telephone to a Mercury designated switching center or point-of-presence.

Account Code - A numerical code, assigned to the Customer, to enable the Company to identify use of a service offering by the Customer and to bill the use of that service offering by the Customer. Multiple Account Codes may be assigned to the Customer to identify individual users or groups of users.

Authorization Code - A pre-defined series of numbers to be dialed by the Customer or End User upon access to the Company's system to notify the caller and validate the caller's authorization to use the services provided. The Customer is responsible for charges incurred through the use of his or her assigned Authorization Code.

Authorized User - A person, corporation or other entity that is authorized by the Company Customer to utilize services provided by the Company to the Customer. The customer is responsible for all charges incurred by an Authorized User.

Calling Card - A billing arrangement whereby the originating caller may bill the charges for a call to an approved LEC-issued calling card. The terms and conditions of the local exchange carrier apply to payment arrangements.

Commission - Refers to the Arizona Corporation Commission.

Company or Carrier - Refers to Mercury Voice and Data Company, unless otherwise clearly indicated by the context.

Customer - A person, firm, partnership, corporation or other entity which arranges for the Carrier to provide, discontinue or rearrange telecommunications services on behalf of itself or others; uses the Carrier's telecommunications services; and is responsible for payment of charges, all under the provisions and terms of this tariff.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, (CONT'D.)

End User - Any person, firm, partnership, corporation or other entity that uses the service of the Company under the terms and conditions of this tariff. The End User is responsible for payment unless the charges for the service utilized are paid by the Customer.

Equal Access - where the local exchange company central office provides interconnection to interexchange carriers with Feature Group D circuits. In such end offices, Customers can pre-subscribe their telephone line(s) to their preferred interexchange carrier.

Initial and Additional Period - The Initial Period denotes the interval of time allowed at the rate specified for a connection between given service points. The Additional Period denotes the interval of time used for measuring and charging for time in excess of the Initial Period.

LATA - Local Area of Transport and Access.

Mercury - Refers to Mercury Voice and Data Company, unless otherwise clearly indicated by the context.

Subscriber - Any person, firm, partnership, corporation, governmental agency or other entity that orders service from the Company on behalf of itself or on behalf of others. A Subscriber may, in the ordinary course of its operations, make telephones available to transient users of its premises for placing of intrastate calls. The Subscriber has a pre-existing business arrangement with the Company and may also be a Customer.

Terminal Equipment - Telecommunications devices, apparatus and associated wiring on the premises of the Customer.

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SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Mercury Voice and Data Company

Company services and facilities are furnished for communications originating at specified points within the State of Arizona under terms of this tariff.

Mercury installs, operates, and maintains the communications services provided hereinunder in accordance with the terms and conditions set forth under this tariff. Mercury may act as the Customer's agent for ordering access connection facilities provided by other entities, when authorized by the Customer, to allow connection of a Customer's location to the Mercury network. The Customer shall be responsible for all charges due for such service arrangement.

The Company's services and facilities are provided on a monthly basis unless otherwise provided, and are available twenty-four (24) hours per day, seven (7) days per week.

2.2 Use

2.2.1 Services provided under this tariff may be used by the Customer for any lawful telecommunications purpose for which the service is technically suited.

2.2.2 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

2.2.3 A Customer may transmit or receive information or signals via the facilities of the Company. The Company's services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this tariff. A user may transmit any form of signal that is compatible with the Company's equipment, but the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this tariff.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.3 Limitations

- 2.3.1** Service is offered subject to the availability of the necessary facilities and equipment, or both facilities and equipment, and subject to the provisions of this tariff.
- 2.3.2** Mercury reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of provisions of this tariff, or in violation of the law.
- 2.3.3** The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.3.4** All facilities provided under this tariff are directly or indirectly controlled by Mercury and the Customer may not transfer or assign the use of service or facilities without the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.4 Liabilities of the Company

2.4.1 General

- A. Except for the credit allowance specified in Section 2.8, the Company shall not be liable for any claim or loss, expense or damage, due to any interruption, delay, error, omission, or defect in any service, facility, or transmission provided under the tariff. In no event will the Company be liable for any direct, indirect, consequential, incidental, exemplary, punitive, or special damages, or for any lost income or profits, for any reason whatsoever, even if Company is advised of the possibility of the same.
- B. The Company shall not be liable for any claim or loss, expense, or damage, due to any interruption, delay, error, omission, or other defect in service, facility, or transmission provided under this tariff, if caused by or resulting from: any person or entity other than the Company; any malfunction of any service or facility provided by any person other than the Company; labor difficulties; fire, flood, earthquake, or any other act of God; explosion; war; riot or civil disturbance; any law, order, regulation, direction, action or request of any federal, state or local government or any department, agency, commission, bureau, or other instrumentality of federal, state or local government; or by any other cause beyond the Company's control.
- C. The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and Service has been discontinued, to a refund of the amount erroneously billed.

2.4.2 The Company shall not be liable for and shall be fully indemnified and held harmless by Customer against any claim of loss, expense, or damage, including indirect, special, or consequential damage for:

- A. Defamation, libel, slander, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name, or service mark, unfair competition, interference with or misappropriation, or violation of any contract, proprietary or creative right, or any other injury to any person, property, or entity arising from the material, data, information, or content revealed to, transmitted, processed, handled, or used by the Company under this tariff;

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2.4 Liabilities of the Company (Cont'd.)

2.4.2 (Cont'd.)

- B.** Connecting, combining, or adapting the Company's facilities with Customer's apparatus or systems;
- C.** Any loss, destruction or damage to property of the Company, the Customer, or any third party, or the death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives, family members or invitees;
- D.** Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of the Company or any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by this tariff or any agreement between the Customer and the Company; or
- E.** Any personal injury or death of any person or for any loss of or damage to the premises, equipment or other property owned by Customer or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use, or removal of equipment or wiring provided by the Company, if not caused by gross negligence of the Company.

2.4.3 No agent or employee of any other carrier shall be deemed to be an agent or employee of the Company.

2.4.4 THE COMPANY MAKES NO WARRANTY REGARDING THE PROVISION OF SERVICE PURSUANT TO THIS TARIFF, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Billing and Payment for Service

2.5.1 Responsibility for Charges

Charges for installations, service connections, moves, and rearrangements, where applicable, are payable upon demand to the Company or its authorized agent. Billing thereafter will include recurring charges and actual usage as defined in this tariff.

The Customer is responsible for payment of all charges for services and equipment furnished to the Customer for transmission of calls via the Company. In particular and without limitation to the foregoing, the Customer is responsible for any and all cost(s) incurred as the result of:

- A. any delegation of authority resulting in the use of his or her communications equipment and/or network services which result in the placement of calls via the Company;
- B. any and all use of the service arrangement provided by the Company, including calls which the Customer did not individually authorize;
- C. any calls placed by or through the Customer's equipment via any remote access feature(s);
- D. any and all calls placed to an toll-free (e.g., 800, 888) service number provided to the Customer by the Company.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Billing and Payment for Service (Cont'd.)

2.5.2 Payment for Service

Terms of payment are subject to the rules of the Commission. Contested charges will be handled in accordance with the Commission.

- A. All charges due by the Customer are payable to the Company or any agent duly authorized to receive such payments. The billing agent may be the Company, a local exchange telephone company, credit card company, or other billing service. Terms of payment shall be according to the rules and regulations of the agent and subject to the rules of regulatory bodies having jurisdiction. Any objections to billed charges must be promptly reported to the Company or its billing agent. Adjustments to Customers' bills shall be made to the extent that circumstances exist that reasonably indicate that such changes are appropriate.
- B. Disputes with respect to charges must be presented to the Company in writing within one hundred (120) days from the date the bill in question is issued or such bill will be deemed correct and binding on the Customer.
- C. Unless otherwise specified below, services provided by the Company are billed in arrears directly to the Customer on a monthly basis.
- D. Charges for third party calls which are charged to a domestic telephone number will be included on the billed party's local exchange telephone company bill pursuant to billing and collection agreements established by Mercury or its intermediary with the applicable telephone company.
- E. Charges for credit card calls will be included on the billed party's regular monthly statement from the card-issuing company.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Billing and Payment for Service (Cont'd.)

2.5.3 Deposits

The Company does not collect deposits from Customers.

2.5.4 Advance Payments

The Company does not collect advance payments.

2.5.5 Late Payment Charge

If any portion of amount owed to the Company by the Customer is not received by the Company within 30 days following the invoice date, or if any portion of the Customer's payment is received by the Company in funds which are not immediately available upon presentment, then a late payment charge of \$20 for each billing cycle shall be due to the Company until the full amount owed to the Company is paid.

2.5.6 Return Check Charge

The Company will assess a return check charge of up to \$25.00, whenever a check or draft presented for payment of service is not accepted by the institution on which it is written, including for insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank or other financial institution.

2.5.7 Customer Complaints and/or Billing Disputes

Customers have the right to refer billing disputes and any other complaints to Company at 825 Edmond Street, St. Joseph, MO 34501 or via telephone by dialing 1-866-693-9440. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Arizona Corporation Commission in accordance with the Commission's rules of procedure. The address and toll-free telephone number of the Commission is as follows:

Arizona Corporation Commission
Consumer Services Section
1200 W. Washington Street
Phoenix, AZ 85007
1-800-222-7000

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SECTION 2 – RULES AND REGULATIONS, (CONT'D.)

2.5 Billing and Payment for Service (Cont'd.)

2.5.8 Taxes and Fees

- A. All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items on the Customer's bill and are not included in the quoted rates and charges set forth in this tariff. To the extent that a municipality, other political subdivision or local agency of government, or Commission imposes upon and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee, or regulatory fee, such taxes and fees shall, insofar as practicable and allowed by law, be billed pro rata to Customers receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government.
- B. The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs. Examples of such programs include, but are not limited to, the Universal Service Fund (USF) and compensation to pay telephone service providers for the use of their pay telephones to access the Company's service.
- C. **Arizona Universal Service Fund**
 - 1. The Company will place, on each retail end-user customer's bill, a surcharge equal to the Arizona Universal Service Fund percentage assessment ordered by the Arizona Corporation Commission.
 - 2. The surcharge will appear as a separate line item detailed as "Arizona Universal Service Fund."
 - 3. The surcharge percentage will be calculated in accordance with A.A.C. R14-2-1202.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.6 Refusal or Discontinuance by Company

The Company may refuse or discontinue service under the following conditions:

- 2.6.1 For non-compliance with and/or violation of any federal, state or municipal law, ordinance or regulation pertaining to telephone service.
- 2.6.2 For the use of telephone service for any other property or purpose other than that described in the application.
- 2.6.3 For neglect or refusal to provide reasonable access to the Company for the purpose of inspection and maintenance of equipment owned by the Company.
- 2.6.4 For non-compliance with and/or violation of the Commission's regulations or the Company's rules and regulations on file with the Commission.
- 2.6.5 For non-payment of bills for telephone service.
- 2.6.6 Without notice in the event of Customer, Authorized User or Subscriber use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others.
- 2.6.7 Without notice in the event of tampering with the equipment furnished and owned by the Company.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.6 Refusal or Discontinuance by Company (Cont'd.)

2.6.8 Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the Subscriber to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.

2.6.9 For failure of the Customer or Subscriber to make proper application for service.

2.6.10 For Customer's or Subscriber's breach of the contract for service between the Company and the Customer, including posting or access requirements as specified to comply with state and federal regulations.

2.6.11 When necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

Unless otherwise specified, the Customer or Subscriber will be given five (5) days written notice and allowed a reasonable time to comply with any rule or remedy any deficiency.

2.7 Cancellation by Customer

Customers may cancel service at any time, either verbally or in writing. Customers are responsible for all charges up through the actual disconnect date.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.8 Interruption of Service

2.8.1 Except as set forth in Section 2.8.2, a customer will be entitled to a credit allowance for an interruption of service which is caused by or occurs in facilities or equipment owned, provided and billed for, by the Company. The credit allowance shall be the sole remedy of Customer and the sole liability of the Company. For purposes of computing a credit allowance, a month consists of 720 hours. The Company will credit the Customer's account at the rate of 1/720th of the monthly charge for each full hour of any interruption. The Customer must notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within his control, or is not in wiring or equipment, if any, furnished by the Customer.

2.8.2 No credit allowance will be made for:

- A.** interruptions due to the Company's testing or adjusting;
- B.** interruptions due to the negligence of, or noncompliance with the provisions of this tariff by the Customer or any other person or by the common carrier providing service connected to the Service of the Company;
- C.** interruptions due to the act or omission of any person other than the Company, including but not limited to, the Customer or other common carriers connected to the Company's facilities;
- D.** interruptions due to the failure or malfunction of non-Company equipment;
- E.** interruptions of Service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- F.** interruptions of Service during a period in which the Customer continues to use the Service on an impaired basis;
- G.** interruptions of Service during any period when the Customer has released Service to the Company for maintenance purposes or for implementation of a Customer order for a change in Service arrangements; and

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.8 Interruptions of Services (Cont'd.)

2.8.2 (Cont'd.)

- H.** interruption of Service due to circumstances or causes beyond the control of the Company.

2.9 Inspection, Testing and Adjustment

Upon reasonable notice, the facilities provided by the Company shall be made available to the Company for tests and adjustments as may be deemed necessary by the Company for maintenance. No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.10 Other Rules

The Company may temporarily suspend service without notice to the Customer, by blocking traffic to certain cities of NXX exchanges, or by blocking calls using certain personal account codes when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as service can be provided without undue risk.

2.11 Responsibilities of the Subscriber

- 2.11.1** The Subscriber is responsible for placing any necessary orders, for complying with tariff regulations, and for ensuring that Authorized Users comply with tariff regulations. The Subscriber is also responsible for the payment of charges for calls originated at the Subscriber's premises that are not collect, third party, calling card, or credit card calls.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.11 Responsibilities of the Subscriber (Cont'd.)

- 2.11.2 The Subscriber is responsible for charges incurred for special construction and/or special facilities that the Subscriber requests and which are ordered by Mercury on the Subscriber's behalf.
- 2.11.3 If required for the provision of Mercury' Services, the Subscriber must provide any equipment space, supporting structure, conduit, and electrical power without charge to Mercury.
- 2.11.4 The Subscriber is responsible for arranging ingress to its premises at times mutually agreeable to it and Mercury when required for Mercury personnel to install, repair, maintain, program, inspect, or remove equipment associated with the provision of Mercury' Services.
- 2.11.5 The Subscriber shall ensure that its terminal equipment and/or system is properly interfaced with Mercury' facilities or services, that the signals emitted into Mercury' network configuration are of the proper mode, bandwidth, power, and signal level for the intended use of the Subscriber and in compliance with the criteria set forth in Part 68 of the Code of Federal Regulations, and that the signals do not damage equipment, injure personnel, or degrade service to other Subscribers.
- 2.11.6 If the Subscriber fails to maintain the equipment and/or the system properly, with resulting imminent harm to Mercury's equipment, personnel, or the quality of Service to other Subscribers or Customers, Mercury may, upon written notice, require the use of protective equipment at the Subscriber's expense. If this fails to produce satisfactory quality and safety, Mercury may, upon written notification, terminate the Subscriber's service.
- 2.11.7 The Subscriber must pay Mercury for replacement or repair of damage to the equipment or facilities of Mercury caused by negligence or willful act of the Subscriber, its Authorized Users, or others, or by improper use of equipment provided by the Subscriber, Authorized Users, or others.
- 2.11.8 The Subscriber must pay for the loss through theft or fire of any of Mercury's equipment installed at Subscriber's premises.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.12 Responsibilities of the Customer

- 2.12.1** The Customer is responsible for compliance with the applicable regulations set forth in this tariff as well as all rules and regulations of the Commission and the Federal Communications Commission.
- 2.12.2** The Customer is responsible for identifying the station, party, or person with whom communication is desired and/or made at the called number.
- 2.12.3** The Customer is responsible for providing Mercury with a valid method of billing for each call. Mercury reserves the right to validate the credit worthiness of users through available credit card, calling card, called number, third party telephone number, and room number verification procedures. Where a requested billing method cannot be validated, the user may be required to provide an acceptable alternate billing method or Mercury may refuse to place the call.

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SECTION 3 -- DESCRIPTION OF SERVICES

3.1 General

Mercury provides direct dialed outbound service to presubscribed customers for communications originating and terminating within the state of Arizona under terms of this tariff. Company services are available twenty-four hours per day, seven days a week. Intrastate service is offered in conjunction with interstate service.

3.2 Timing of Calls

3.2.1 Timing for all calls begins when the called party answers the call (i.e. when two-way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.

3.2.2 Chargeable time for all calls ends when either one of the parties disconnects from the call.

3.2.3 The minimum call duration and additional billing increments are specified on a per product basis in this section of the tariff.

3.2.4 The Company will not bill for incomplete calls.

3.3 Holidays

The Company does not offer rate discounts for calls placed on state or federal holidays.

3.4 Rate Periods

The Company does not rate calls based on time-of-day.

3.5 Calculation of Distance

The Company does not rate calls based on distance.

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SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D.)

3.6 Mercury Long Distance Business Service

Mercury Long Distance Business Service is a presubscribed long distance service providing direct dial outbound domestic long distance calling. Calls are billed in six (6) second increments. Rates are neither mileage nor time-of-day sensitive. Intrastate service is an add-on to interstate service.

3.7 Mercury Long Distance Package Plan

Mercury Long Distance Package Plan is a direct dial outbound calling plan available to business Customers. Customers are offered a selection of long distance packages that provide a specified monthly allowance of combined intrastate and interstate direct dial outbound long distance calling for a flat monthly rate. Minutes used in excess of the number of minutes available in the package selected will be billed at a per minute rate. Calls are billed in six (6) second increments.

3.8 Directory Assistance

A Directory Assistance charge applies to each call to the Directory Assistance Bureau. Two (2) requests may be made on each call to Directory Assistance. The Directory Assistance charge applies to each call, regardless of whether the Directory Assistance Bureau is able to furnish a requested telephone number.

Per Request Charge - local directory assistance:	\$0.50
Per Request Charge - national directory assistance:	\$0.80
Call Completion - national directory assistance:	\$0.25 per minute

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SECTION 4 - RATES

4.1 Mercury Long Distance Business Service

Rate Per Minute: \$0.10

4.2 Mercury Long Distance Package Plan

<u>Package</u>	<u>Monthly Rate</u>
100 Minutes:	\$9.00
500 Minutes:	\$40.00
1000 Minutes:	\$70.00
Rate Per Minute excess of Package Allowance:	\$0.10

4.3 Directory Assistance – Operator Assisted Calls

Operator Dialed Surcharge	\$0.75
Station to Station Surcharge	\$5.00
Person to Person Surcharge	\$8.00

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SECTION 5 - PROMOTIONS

5.1 Promotions - General

From time to time the Company shall, at its option, promote subscription or stimulate network usage by offering to waive some of all of the nonrecurring or recurring charges for the Customer (if eligible) of target services for a limited duration, not to exceed 90 days, or by offering premiums or refunds of equivalent value. Such promotions shall be made available to all similarly situated Customers in the target market area. The Company will provide tariff notification to the Commission no less than seven (7) days prior to the beginning of each promotion identifying the promotion, the exchange(s) within which the promotion will be offered, and the start and end dates of the promotion.

5.2 Demonstration of Calls

From time to time the Company shall demonstrate service by providing free test calls of up to four (4) minutes duration over its network.

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MERCURY VOICE AND DATA COMPANY

Switched Access Service Tariff

This tariff applies to Intrastate Switched Access Service furnished by Mercury Voice and Data Company in the state of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may also be inspected, during normal business hours, at the Company's principal place of business in Missouri.

For Mercury Voice and Data Company service areas, please refer to ACC Tariff No. 2

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EXPLANATION OF SYMBOLS

Changes to this tariff shall be identified on the revised page(s) through the use of symbols. The following are the only symbols used for the purposes indicated below:

- (C) To signify a change in regulation.
- (D) To signify a discontinued rate or regulation.
- (I) To signify an increase in rate or charge.
- (M) To signify material relocated from one page to another without change.
- (N) To signify a new rate or regulation.
- (R) To signify a reduced rate or charge.
- (S) To signify a correction or reissued matter.
- (T) To signify a change or regulation but no change in rate or charge.

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TARIFF FORMAT

Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.

Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Arizona Corporation Commission. For example, the 4th Revised Page 14 cancels the 3rd Revised Page 14.

Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2.
2.1.
2.1.1.
2.1.1.A.
2.1.1.A.1.
2.1.1.A.1.(a).
2.1.1.A.1.(a).I.
2.1.1.A.1.(a).I.(i).
2.1.1.A.1.(a).I.(i).(1).

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Intrastate Switched Access Tariff

1.1 Application of Tariff

This Intrastate Switched Access Service Tariff (the "Tariff") contains regulations, rates and charges applicable to the provisions of intrastate switched access service provided by Mercury Voice and Data Company (the "Company"), a competitive facilities-based provider of telecommunications services, to customers in Arizona that wish to purchase switched access from the Company.

Customers may purchase switched access service from the Company only to the extent explicitly set forth in this Tariff.

The regulations, rates and charges contained herein are in addition to the applicable regulations, rates and charges specified in other tariffs of the Company that are referenced herein.

Issued: August 6, 2008

Effective _____

By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

1.2 Obligation and Liability of Company

The Company adopts the provisions of Section 2 (entitled "Rules and Regulations") of its Local Exchange Tariff (ACC Tariff No. 2) for this Switched Access Service Tariff (ACC Tariff No. 4).

Issued: August 6, 2008

Effective _____

By:

**Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501**

1.3 Switched Access Service

The Company concurs in the rates, rules and regulations applying to and governing access service as set forth in the Arizona Qwest Corporation Access Service Price Cap Tariff -- Section 6 (Switched Access) and Section 3 (CCL Access Services on file with and approved by the Arizona Corporation Commission, and in any amendments thereto as authorized by the Arizona Corporation Commission or applicable law .

The Company reserves the right to cancel and make void the above concurrence statements, subject to requirements as may be ordered by the Arizona Corporation Commission and at any such time as it appears that such cancellation is in the best interest of the Company and/or its end users.

Issued: August 6, 2008

Effective _____

By:

Henry H. Bradley, President
825 Edmond Street
St. Joseph, MO 64501

Attachment C

Key Personnel

Bill Severn – Chief Operating Officer

Over 18 years experience in the telecommunications industry. Held various leadership positions at various levels of marketing and operations.

8 years – TCI – Marketing and training

2 years – AT&T Broadband – Director of Sales and Marketing Central Division

8 years NPG Cable, Inc. – 6 years General Manager – MO Operations

2 years Chief Operating Officer NPG Cable, Inc.

Shari Chesser - Project Manager

Over 12 years in Telecom Operations, Process, Product and Project Management.

3 years NPG Cable, Inc. Project Management & Voice Services Operations Management

1 year Independent Consultant. Consulted telecom industry on technical operations and process development.

8 years Birch Telecom. Management of the following functions: Process, Methods & -Procedures, Project Management, Provisioning Operations, Quality Assurance & Operations Analysis.

Scott Leprich – North West District Manager

Over 17 years experience in the Broadband industry. Held numerous positions in the industry from Sales to Operations.

4 years with NPG Cable, Inc. managing all facets of the business in Kingman and Bullhead City Arizona, providing, Phone, Internet and Cable.

4 years with Everest Connections providing phone, internet and cable.

6 years with Time Warner Cable in San Antonio Texas providing internet and Cable TV. Held positions in operations and sales.

3 years with TCI. Held positions in operations and sales.

Dawn Bigelow – Manager Voice Services

7 years of Telecommunications experience.

4 years - CellularONE (Verizon) - Operations - Customer Service Supervision and Trouble Resolution

3 years - Sprint PCS - Operations - Customer Service Supervision

Gary Chesser – Project Consultant

Over 40 years experience in the telecommunications industry. Held numerous management positions at various levels relative to Operations and Engineering.

- 27 years with Southwestern Bell Telephone – Eng. & Ops
- 3 years with U S WEST – Voice and Data, unregulated
- 3 years Time Warner Communications – Start up offering of Switched Services
- 3 years CLEC Birch Telecom – Eng & Ops.
- 3 1/2 years Time Warner Cable – Project Managing launch of VoIP services
- 1 yr Mercury Voice & Data – launching Commercial voice services

Maggie Thompson – General Manager

Thirty-four years in telecommunications industry management.

- 6 years Muskegon Cable Television, Muskegon, MI - Customer Service & Operations Mgr.
- 3 years Falcon Cable TV, Port Orchard, WA - Project Mgr. of addressable deployment & General Mgr.
- 5 years Fresno MMDS Associates, Fresno, CA - Regional Mgr. of wireless cable systems in San Joaquin Valley
- 6 years NPG Cable, Inc. - General Manager of Bullhead City, AZ & Mammoth Lakes, CA
- 6 years Communications & Cablevision, Michigan - Operations Manager
- 2 years Golden Sky Systems - Regional Manager of Direct TV provider in CA & NV.
- 3 years Nova Cable, Michigan - Operations Manager of small start up operations statewide
- 3 years Mediacom Communications - Senior Manager of Operations, Arizona
- 2 years Pacific Bell Home Entertainment - Field Service Manager

Attachment D

Financial Information

Applicant is a privately held company and requests permission to submit financial information pursuant to a protective agreement. Applicant will work with staff to identify information in the financial reports that may be used by the ACC in a report or order that is subject to public disclosure.

Attachment E

Projected Revenue/Expenses

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.

Applicant's total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval, is approximately \$900,000.

2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

Applicant expects to incur operating expenses in the amount of approximately \$750,000 during the first twelve months of providing telecommunications services to Arizona customers following certification.

3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.

Applicant estimates the net book value of all Arizona jurisdictional assets expected to be used in its provision of telecommunications services to Arizona customers at the end of the first twelve months of operation will be \$0.

4. If the projected value of all assets is zero, please specifically state this in your response.

Applicant estimates the net book value of all Arizona jurisdictional assets expected to be used in its provision of telecommunications services to Arizona customers at the end of the first twelve months of operation will be \$0.

5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

Not applicable.

/1

**RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS TO MERCURY
VOICE & DATA COMPANY (DOCKET NO. T-20613A-08-0420)**

BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

IN THE MATTER OF THE APPLICATION	)	DOCKET NO. T-20613A-08-0420
OF MERCURY VOICE & DATA COMPANY)	
FOR APPROVAL OF A CERTIFICATE OF)	
CONVENIENCE AND NECESSITY TO	)	MERCURY VOICE & DATA
PROVIDE RESOLD LOCAL AND LONG	)	COMPANY'S RESPONSES TO
DISTANCE AND FACILITIES-BASED	)	STAFF'S FIRST SET OF DATA
LOCAL AND LONG DISTANCE	)	REQUESTS
TELECOMMUNICATIONS SERVICES)	
)	

Mercury Voice & Data Company ("Mercury" or "Applicant"), hereby
responds to Staff's First Set of Data Requests sent by Commission Staff on
September 19, 2008.

PRELIMINARY STATEMENT

Applicant reserves the right to amend, modify or supplement the
information contained in these responses as new information becomes available.
Additionally, these responses are without prejudice to Applicant's right to use or
rely on any subsequently discovered information or facts, or information or facts
omitted from these responses as a result of mistake, error, oversight or
inadvertence.



**RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS TO MERCURY
VOICE & DATA COMPANY (DOCKET NO. T-20613A-08-0420)**

RESPONSES

Please make certain that each numbered item and each part of the item is answered completely. In order for Staff to continue with its review of this application, the following information must be submitted:

CA-1. Please provide the Applicant's financial statements for the year ending December 31, 2007. Refer to question (B-1) of the application. Also, please provide the financial statements of the Applicant's parent company, News-Press & Gazette Company for the two (2) most recent years.

Response: Applicant will provide the consolidated financial statements of its parent corporation and all subsidiaries (including the Applicant) for 2006 and 2007 with the understanding with Staff that they will remain confidential except for the Net Assets, Equity, and Net Income figures required for the Staff Report. The statements will arrive under separate cover.

CA-2. Please explain how your company calculated the actual maximum and actual minimum that will be contained in your tariffs for each of your services.

Response: Mercury will market and sell services to customers who already have numerous provider options. Mercury will not offer any services that have not been declared competitive by the Arizona Corporation Commission. In that regard, the rates included in the Mercury tariff are set with a competitive market in mind and the market will generally control the rates Mercury is able to charge.

CA-3. Please explain why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.

Response: The rates and charges proposed by Mercury will be reasonable and comparable to rates charged by other carriers in the market for similar products. Mercury has not yet entered the local service market; thus, it is not

**RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS TO MERCURY
VOICE & DATA COMPANY (DOCKET NO. T-20613A-08-0420)**

possible for Mercury to provide historic cost support data nor can it base its prices on prior costs. Fair value is similarly inapposite in a competitive market. While the Commission may be obliged to find fair value in advance of approving rates, it is not obliged to use that fair value to set rates (or to justify the rates based on the fair value). In a competitive environment, the Commission has regularly concluded that a carrier rate comparison is a fair and reasonable way to evaluate rates charged by competitive providers. The carrier rate comparison chart, attached as Exhibit 1, illustrates that the rates proposed by Mercury are fair and reasonable.

CA-4. Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis should contain publicly available examples of tariff rates and charges charged by the incumbent and other carriers for similar services. Include supporting material and any other information that you believe demonstrates that your proposed tariff rates and charges are just and reasonable.

Response: See Matrix described below and attached as Exhibit 1. The rates and charges proposed by Mercury are reasonable and comparable to rates charged by other carriers in the private line market.

Use a matrix format to list the company's proposed services, rates, and charges. Based on the company's tariff, list all of the telecommunications services the company will provide in Arizona. For each of the telecommunications services listed, provide the company's tariff page numbers that support each of the company's services, rates, and charges. Also, provide the same information requested of the company for Qwest and two other Arizona competitors using the same matrix format. List each competitor's services, rates, and charges for the same or comparable services and include copies of the tariff page of each service, rate and charge of each competitor. For a list of telecommunications carriers certified in Arizona, go to www.azcc.gov/divisions/utilities/utilitylist.asp. For a list of Commission-approved telecommunications rates and tariffs, go to www.azcc.gov/Divisions/Utilities/Tariff/util-tariffs-telecom.asp.

**RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS TO MERCURY
VOICE & DATA COMPANY (DOCKET NO. T-20613A-08-0420)**

(Please Note: Refer to Attachments A, B, C, and D for the prescribed format to submit the company's telecommunications services, rates, and charges and the telecommunications services, rates, and charges of its competitors. Please make sure to include all supporting tariff pages for each of the company's competitors.)

CA-5. Please be advised that within 30 days of a Decision, the Commission will require the procurement of a performance bond or irrevocable sight draft Letter of Credit once a CC&N is granted.

Response: Applicant is so advised.

DATED this 6th day of November 2008.

OSBORN MALEDON, PA

By: 

Joseph M. Roth

Osborn Maledon P.A.

2929 North Central, Suite 2100

Phoenix, AZ 85012

Telephone: (602) 640-9320

Facsimile: (602) 664-2051

Jroth@omlaw.com

Business Rate Comparison of Telecommunications Services provided by Competitors in Arizona	Mercury Voice & Data's Arizona Tariff Attach Tariff Sheets for Support		Qwest's Arizona Tariff Attach Tariff Sheets for Support	
	Charges & Rates (\$)	Section Number	Charges & Rates (\$)	Section Number
Products/Services				
Basic Local Service	\$30.40	7.2.1 75 of A.C.C. Tariff No. 2	\$30.40, maximum rate \$91.20	5.2.4 2 of Section 5, Competitive Exchange and Network Services Price Cap Tariff No. 2
Service Connect Fee	\$49.44	7.1.1 75 of A.C.C. Tariff No. 2	\$42.50, maximum rate \$85.00	5.2.4 2 of Section 5, Competitive Exchange and Network Services Price Cap Tariff No. 2
Dispatch Call & Trouble Isolated on cust. equip.	\$42.65 initial 15 minutes or fraction; 15.35 for each additional 15 minutes or fraction	7.1.2 75 of A.C.C. Tariff No. 2	\$25.00 for premises visit, maximum rate \$50.00, Schedule I (business hours); \$50.00 initial 30 minutes or fraction, maximum rate \$120.00; \$30.00 for each additional 15 minutes or fraction, maximum rate \$60.00, Schedule II (non-business hours and Saturdays); \$70.00 initial 30 minutes, maximum rate \$140.00; \$35.00 for each additional 15 minutes, maximum rate \$70.00, Schedule III (Sundays and holidays); \$80.00 initial 30 minutes, maximum rate \$160.00; \$40.00 for each additional 15 minutes, maximum rate \$80.00	13.2 12 of Section 13, Competitive Exchange and Network Services Price Cap Tariff No. 2
Feature Change Order	\$15.65	7.1.1 75 of A.C.C. Tariff No. 2		
Toll Restriction Fee Order			\$27.50 nonrecurring charge; maximum rate \$55.00, \$5.00 per month, maximum rate \$15.00.	10.4.1 3 of Section 10, Competitive Exchange and Network Services Price Cap Tariff No. 2
Transfer of Service (move order)			\$8.50	3.1.1 1 of Section 3, Exchange and Network Services Price Cap Tariff
Restoration of Service	\$14.90	7.1.3 75 of A.C.C. Tariff No. 2	\$55.00	2.2.9 23 of Section 2, Exchange and Network Services Price Cap Tariff
Directory Assistance	\$0.50, local; \$1.37, national	7.3.2 75 of A.C.C. Tariff No. 2	\$1.15	6.2.4 20, 23 of Section 6, Competitive Exchange and Network Services Price Cap Tariff No. 2
Returned Check Charge (NSF)	\$25	2.5.4 35 of A.C.C. Tariff No. 2	\$10.00	2.2.7 15 of Section 2, Tariff No. 2
Directory Listing Service - Primary Listing	\$0.00	6.5.2 73 of A.C.C. Tariff No. 2	\$0.00	5.7.1 147 of Section 5, Exchange and Network Services Price Cap Tariff
Directory Listing Service - Non-Published			\$2.35, maximum rate \$4.65	5.7.1.1 117 of Section 5, Competitive Exchange and Network Services Price Cap Tariff No. 2
Month-to-month 12 Months 24 Months 36 Months				
Direct Dialed Station-to-Station (include all relevant billing elements used to make the comparison)	Rate per minute: \$0.10; available packages: \$9.00 for 100 minutes, \$40.00 for 500 minutes, \$70.00 for 1000 minutes	4.1 - 4.2 24 of A.C.C. Tariff No. 3	All rates described as intrastate. Rate per minute: \$0.30; available packages: \$50.00 for unlimited; \$0.15 per minute for up to 100 minutes, \$0.00 for 401 + minutes	3.2.20 21, 26 of Section 3, Arizona Tariff 3.2.25 No. 2

ATTACHMENT B
BY COMPETITOR

Business Rate Comparison of Telecommunications Services provided by Competitors in Arizona	Sprint's Arizona Tariff			Cox's Arizona Tariff		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services	Basic Local Service	4.1	54	\$30.00	3.1.2.2	81 of A.C.C. Tariff No. 1
	Service Connect Fee	4.1	54	\$46.00; maximum rate \$50.00 per line	3.1.2	80 of A.C.C. Tariff No. 1
	Dispatch Call & Trouble Isolated on cust. equip. Feature Change Order					
	Toll Restriction Fee Order	6.2.6	69	\$20.00	3.1.2	80 of A.C.C. Tariff No. 1
	Transfer of Service (move order)	6.2.8	69	\$3.50 per month; \$25.00 non-recurring charge	7.1.1	108 of A.C.C. Tariff No. 1
	Restoration of Service	6.2.6	69	\$25.00	3.1.2	80 of A.C.C. Tariff No. 1
	Directory Assistance	6.4.1	71 and A-19 of Tariff C.C No. 2	\$0.60	3.2	93 of Tariff No. 1
Miscellaneous Services & Rates	Returned Check Charge (NSF)	2.7.4	39	\$25.00	2.5.2	38 of A.C.C. Tariff No. 1
Listings	Directory Listing Service - Primary Listing	6.5.8	73	\$0.00	3.4.6	99 of A.C.C. Tariff No. 1
	Directory Listing Service - Non-Published	6.2.8	73	\$2.00; maximum rate \$5.00; non-recurring charge \$20.00	3.4.6	98 of A.C.C. Tariff No. 1
Primary Rate Interface (DS0) Service	Months-to-month, 12 Months 24 Months 36 Months					
Long Distance	Direct Dialed Station-to-Station (Include all relevant billing elements used to make the comparison)			Rate per minute: \$0.10; maximum rate per minute: \$0.15. Available packages include: LD Solutions III (for customers with Cox Local and Long Distance), depending on usage and plan term of 1, 2, 3 or 5 years, rates range from \$0.075 per minute to \$0.047 per minute; LD Enterprise III (for customers with Cox Local, Long Distance, and Cox Affiliated Company's High Speed Internet service), depending on usage and plan term of 1, 2, 3, or 5 years, rates range from \$0.068 per minute to \$0.042 per minute; Cox Business Service Minute Packs: 100 minutes, \$6.00; additional minutes at \$0.07 per minute; 250, \$15.00; additional minutes at \$0.0675 per minute; 600, \$34.50; additional minutes at \$0.065 per minute; 800, \$44.00; additional minutes at \$0.0625 per minute; 1000, \$55.00; additional minutes at \$0.06 per minute; 2500, \$131.25; additional minutes at \$0.06 per minute; 5000, \$260.00; additional minutes at \$0.06 per minute. Cox Office Solutions Minute Pack: 200 minutes, \$10.00	3.4	18.0.01 - 18.0.06 of A.C.C. Tariff No. 3

RESPONSES TO STAFF'S SECOND SET OF DATA REQUESTS TO MERCURY
VOICE & DATA COMPANY (DOCKET NO. T-20613A-08-0420)

RECEIVED

BEFORE THE ARIZONA CORPORATION COMMISSION

2009 JAN 23 P 4: 33

AZ CORP COMMISSION
DOCKET CONTROL

KRISTIN K. MAYES

Chairman

GARY PIERCE

Commissioner

PAUL NEWMAN

Commissioner

SANDRA D. KENNEDY

Commissioner

BOB STUMP

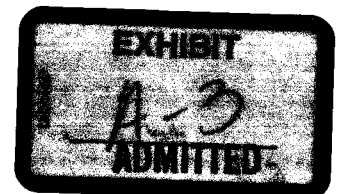
Commissioner

IN THE MATTER OF THE APPLICATION	)	DOCKET NO. T-20613A-08-0420
OF MERCURY VOICE & DATA COMPANY)	
FOR APPROVAL OF A CERTIFICATE OF)	
CONVENIENCE AND NECESSITY TO	)	MERCURY VOICE & DATA
PROVIDE RESOLD LOCAL AND LONG	)	COMPANY'S RESPONSES TO
DISTANCE AND FACILITIES-BASED	)	STAFF'S SECOND SET OF
LOCAL AND LONG DISTANCE	)	DATA REQUESTS
TELECOMMUNICATIONS SERVICES)	
)	

Mercury Voice & Data Company ("Mercury" or "Applicant"), hereby
responds to Staff's Second Set of Data Requests sent by Commission Staff on
December 30, 2008.

PRELIMINARY STATEMENT

Applicant reserves the right to amend, modify or supplement the
information contained in these responses as new information becomes available.
Additionally, these responses are without prejudice to Applicant's right to use or
rely on any subsequently discovered information or facts, or information or facts
omitted from these responses as a result of mistake, error, oversight or
inadvertence.



**RESPONSES TO STAFF'S SECOND SET OF DATA REQUESTS TO MERCURY
VOICE & DATA COMPANY (DOCKET NO. T-20613A-08-0420)**

RESPONSES

Please make certain that each numbered item and each part of the item is answered completely. In order for Staff to continue with its review of this application, the following information must be submitted:

Page 37 (section 2.5.6 and page 38 (section 2.5.7) of Mercury's ACC Tariff No. 2 specifies the Applicant's advance payments policy and deposit policy for its local exchange customers. On page 14 (sections 2.5.3 and 2.5.4) of Mercury's ACC Tariff No. 3 states that the company does not collect deposits or advance payments from its interexchange customers.

CA-2.1 How does Mercury plan to ensure that any customer advances and/or deposits that may be collected from its potential local exchange customers will be based on local exchange service only?

Response: Applicant intends to collect advances and/or deposits for local exchange service only and will base the amount of the deposit solely on the local service charges.

CA-2.2 Please describe in detail the processes or procedures that Mercury will have in place to ensure that advances and/or deposits will not be collected from its long distance customers.

Response: Applicant allows customers to select a long distance carrier. If the customer selects a long distance provider other than Applicant, then the other long distance provider will separately bill the customer for all long distance charges. If the customer selects Applicant as the long distance provider, there is no charge available in Applicant's billing system for an advance and/or deposit for long distance service. Any advance or deposit collected for local service is based solely on local service billing. Therefore, any advance and/or deposit collected could only be collected for local exchange service.

RESPONSES TO STAFF'S SECOND SET OF DATA REQUESTS TO MERCURY
VOICE & DATA COMPANY (DOCKET NO. T-20613A-08-0420)

DATED this 23rd day of January 2009.

OSBORN MALEDON, PA

By: 

Joan S. Burke

Joseph N. Roth

Osborn Maledon P.A.

2929 North Central, Suite 2100

Phoenix, AZ 85012

Telephone: (602) 640-9000

Facsimile: (602) 640-9050


Jburke@omlaw.com

jroth@omlaw.com

Original and 13 copies of the foregoing
filed this 23rd day of January, 2009, with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, AZ 85007

Candrea Allen
Public Utilities Analyst II
Utilities Division
Arizona Corporation Commission
1200 W Washington St
Phoenix, AZ 85007



**RESPONSES TO STAFF'S THIRD SET OF DATA REQUESTS TO MERCURY
VOICE & DATA COMPANY (DOCKET NO. T-20613A-08-0420)**

BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES

Chairman

GARY PIERCE

Commissioner

PAUL NEWMAN

Commissioner

SANDRA D. KENNEDY

Commissioner

BOB STUMP

Commissioner

IN THE MATTER OF THE APPLICATION	)	DOCKET NO. T-20613A-08-0420
OF MERCURY VOICE & DATA COMPANY)	
FOR APPROVAL OF A CERTIFICATE OF)	
CONVENIENCE AND NECESSITY TO	)	MERCURY VOICE & DATA
PROVIDE RESOLD LOCAL AND LONG	)	COMPANY'S RESPONSES TO
DISTANCE AND FACILITIES-BASED	)	STAFF'S THIRD SET OF DATA
LOCAL AND LONG DISTANCE	)	REQUESTS
TELECOMMUNICATIONS SERVICES)	
)	

Mercury Voice & Data Company ("Mercury" or "Applicant"), hereby
responds to Staff's Third Set of Data Requests sent by Commission Staff on
March 11, 2009.

PRELIMINARY STATEMENT

Applicant reserves the right to amend, modify or supplement the
information contained in these responses as new information becomes available.
Additionally, these responses are without prejudice to Applicant's right to use or
rely on any subsequently discovered information or facts, or information or facts
omitted from these responses as a result of mistake, error, oversight or
inadvertence.



**RESPONSES TO STAFF'S THIRD SET OF DATA REQUESTS TO MERCURY
VOICE & DATA COMPANY (DOCKET NO. T-20613A-08-0420)**

RESPONSES

Please make certain that each numbered item and each part of the item is answered completely. In order for Staff to continue with its review of this application, the following information must be submitted:

CA-3.1 Please provide responses to CA-4 of Staff's First Set of Data Requests regarding Attachments D.

Response: Please see the table attached as Exhibit 1. The rates and charges proposed by Mercury for Arizona customers are equal to Mercury's rates and charges for customers in other states in which Mercury provides similar telecommunications services.

CA-3.2 Does Mercury intend to provide service to other carriers in Arizona?

Response: Mercury is an end-user provider and does not anticipate that it will provide any significant amount of primary services or products to other carriers in Arizona.

CA-3.3 If your response to CA-3.2 above is in the affirmative, please describe the following:

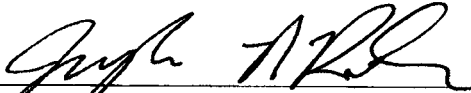
- A) The services Mercury intends to provide
- B) A description of how Mercury intends to provide the services described in Part A.

Response: Mercury's response to CA-3.2 above is in the negative.

**RESPONSES TO STAFF'S THIRD SET OF DATA REQUESTS TO MERCURY
VOICE & DATA COMPANY (DOCKET NO. T-20613A-08-0420)**

DATED this 13th day of March 2009.

OSBORN MALEDON, PA

By: 

Joan S. Burke

Joseph N. Roth

Osborn Maledon P.A.

2929 North Central, Suite 2100

Phoenix, AZ 85012

Telephone: (602) 640-9000

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Jburke@omlaw.com

Jroth@omlaw.com

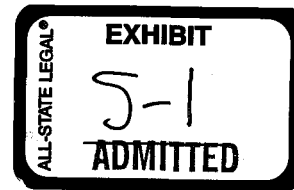
EXHIBIT 1

ATTACHMENT D
BY STATE

Business Rate Comparison of Telecommunications Services provided by Applicant in other States	Mercury Voice & Data's Arizona Tariff Attach Tariff Sheets for Support			Mercury Voice & Data's Missouri Tariff Attach Tariff Sheets for Support		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services						
Basic Local Service	\$30.40	7.2.1	76 of A.C.C. Tariff No. 2	\$30.40	7.2.1	78 of P.S.C. Mo. No. 2
Service Connect Fee	\$49.44	7.1.1	75 of A.C.C. Tariff No. 2	\$49.44	7.1.1	77 of P.S.C. Mo. No. 2
Dispatch Call & Trouble isolated on cust. equip.	\$42.65 initial 15 minutes or fraction; 15.35 for each additional 15 minutes or fraction	7.1.2	75 of A.C.C. Tariff No. 2	\$42.65 initial 15 minutes or fraction; 15.35 for each additional 15 minutes or fraction	7.1.2	77 of P.S.C. Mo. No. 2
Telephone Number Change order	\$7.75	7.1.1	75 of A.C.C. Tariff No. 2	\$7.75	7.1.1	77 of P.S.C. Mo. No. 2
Feature Change Order	\$15.65	7.1.1	75 of A.C.C. Tariff No. 2	\$15.65	7.1.1	77 of P.S.C. Mo. No. 2
Toll Restriction Fee Order						
Record Change Order						
Transfer of Service (move order)						
Restoration of Service	\$14.90	7.1.3	75 of A.C.C. Tariff No. 2	\$14.90	7.1.3	77 of P.S.C. Mo. No. 2
Temporary Suspension Fee						
Payphone Surcharge						
Directory Assistance	\$0.50, local; \$1.37, national	7.3.2	78 of A.C.C. Tariff No. 2	\$0.50, local; \$1.37, national	7.3.2	80 of P.S.C. Mo. No. 2
Directory Assistance via Operator						
Miscellaneous Services & Rates						
Returned Check Charge (NSF)	\$25	2.5.4	35 of A.C.C. Tariff No. 2	\$25	2.5.4	35 of P.S.C. Mo. No. 2
Listings						
Directory Listing Service						
Primary Listing	\$0.00	6.5.2	73 of A.C.C. Tariff No. 2	\$0.00	6.5.2	75 of P.S.C. Mo. No. 2
Non-Published						
Toll Free Directory Listings						
Straight Line Under Directory Listing (indent listing)						
PRI Service with Unlimited Local Calling						
12 Months						
24 Months						
36 Months						
Non-Recurring on a PRI Install						
Order Cancellation Charge						
Order Sup Charge						

ORIGINAL

MEMORANDUM



TO: Docket Control

FROM: Ernest G. Johnson
Director
Utilities Division

DATE: June 29, 2009

RE: IN THE MATTER OF THE APPLICATION OF MERCURY VOICE & DATA COMPANY FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE RESOLD LOCAL AND LONG DISTANCE AND FACILITIES-BASED LOCAL AND LONG DISTANCE TELECOMMUNICATIONS SERVICES (DOCKET NO. T-20613A-08-0420)

Attached is the Staff Report for the above referenced application. The Applicant is applying for approval to provide the following services:

- Resold Long Distance Services
- Resold Local Exchange Services
- Facilities-Based Long Distance Services
- Facilities-Based Local Exchange Services

Staff is recommending approval of the application.

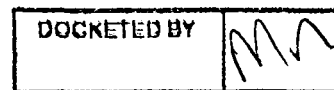
EGJ:CLA:red

Originator: Candrea Allen

Attachment: Original and thirteen copies

Arizona Corporation Commission
DOCKETED

JUN 29 2009



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DOCKET CONTROL

SERVICE LIST FOR: Mercury Voice & Data Company
DOCKET NO. T-20613A-08-0420

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

MERCURY VOICE & DATA COMPANY

DOCKET NO. T-20613A-08-0420

IN THE MATTER OF THE APPLICATION OF MERCURY VOICE & DATA COMPANY
FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY TO
PROVIDE RESOLD LOCAL AND LONG DISTANCE AND FACILITIES-BASED LOCAL
AND LONG DISTANCE TELECOMMUNICATIONS SERVICES.

JUNE 29, 2009

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STAFF ACKNOWLEDGEMENT

The Staff Report for the application of Mercury Voice & Data Company for approval of a Certificate of Convenience and Necessity to provide Facilities Based Local Exchange, Long Distance Telecommunications Services, Resold Local Exchange, and Long Distance Telecommunications Services (Docket No. T-20613A-08-0420) was the responsibility of the Staff member listed below. Candrea Allen was responsible for the review and analysis of the application.

A handwritten signature in black ink, appearing to read 'Candrea Allen', with a stylized flourish at the end.

Candrea Allen
Public Utilities Analyst

1. INTRODUCTION

On August 8, 2008, Mercury Voice & Data Company ("Mercury" or "Applicant" or "Company") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide facilities-based local exchange, long distance telecommunications services, resold local exchange, and long distance telecommunications services within the State of Arizona. The Applicant petitioned the Arizona Corporation Commission ("Commission") for a determination that its proposed services should be classified as competitive.

Staff's review of this application addresses the overall fitness of the Applicant to receive a CC&N. Staff's analysis also considers whether the Applicant's services should be classified as competitive and if the Applicant's initial rates are just and reasonable.

1.1 Technical Capability to Provide the Requested Services

Mercury stated in its application that, in the State of Missouri, it is currently providing telecommunications services similar to those it intends to provide in Arizona. According to Mercury, the Company has six key personnel with over 90 years of combined experience in the telecommunications industry. Based on this, Staff believes Mercury possesses the technical capabilities to provide the services it is requesting the authority to provide.

1.2 Financial Capability to Provide the Requested Services

The Applicant provided audited financial statements of its parent company, News-Press & Gazette Company, for the year ending December 31, 2008. These financial statements list total assets of \$219,121,638; total equity of \$85,206,827; and net income of \$1,420,463. The Applicant also provided notes related to the financial statements.

The Applicant states in its local exchange tariff (Sections 2.5.6 on Page 37 and 2.5.7 on Page 38) that it collects deposits from any customer whose financial responsibility (i.e. credit worthiness) is not established to the satisfaction of the Company. In addition, the Applicant's interexchange tariff (Section 2.5.3 and 2.5.4 on Page 14) states that it does not collect deposits, from its interexchange customers. Staff believes that deposits, received from the Applicant's customers should be protected by the procurement of either a performance bond or an irrevocable sight draft Letter of Credit ("ISDLOC").

The Commission's current performance bond or ISDLOC requirements are \$10,000 for resold long distance (should the Applicant collect advances, deposits, or prepayments from its long distance customers), \$25,000 for resold local exchange, \$100,000 for facilities-based long distance, and \$100,000 for facilities-based local exchange services. Since the Applicant is requesting a CC&N for more than one kind of service, the amount of a performance bond or an ISDLOC for multiple services is an aggregate of the minimum performance bond or ISDLOC amount for each type of telecommunications service requested by the Applicant. The amount of performance bond or ISDLOC coverage needed for each service that the Applicant requests

authority to provide is as follows: resold local exchange \$25,000; facilities-based long distance \$100,000; and facilities-based local exchange \$100,000. The performance bond or ISDLOC coverage needs to increase in increments equal to 50 percent of the total minimum performance bond or ISDLOC amount when the total amount of the deposits is within 10 percent of the total minimum performance bond or ISDLOC amount.

Staff recommends that the Applicant procure a performance bond or an ISDLOC equal to \$225,000. The minimum performance bond or ISDLOC amount of \$225,000 should be increased if at any time it would be insufficient to cover the deposits collected from the Applicant's customers. The performance bond or ISDLOC amount should be increased in increments of \$112,500. This increase should occur when the total amount of the deposits is within \$22,500 of the performance bond or ISDLOC amount. If the Applicant desires to discontinue service, it must file an Application with the Commission pursuant to A.A.C. R14-2-1107. Additionally, the Applicant must notify each of its customers and the Commission at least 60 days prior to filing an Application to discontinue service. Failure to meet this requirement should result in forfeiture of the Applicant's performance bond or ISDLOC.

Staff further recommends that proof of the above mentioned performance bond or an ISDLOC be docketed within 30 days of the effective date of a Decision in this matter. The original bond or ISDLOC should be filed with the Commission's Business Office and copies of the bond or ISDLOC with Docket Control, as a compliance item in this docket. The performance bond or ISDLOC must remain in effect until further order of the Commission. The Commission may draw on the bond or ISDLOC on behalf of, and for the sole benefit of, the Applicant's customers, if the Commission finds, in its discretion, that the Applicant is in default of its obligations arising from its CC&N. The Commission may use the bond or ISDLOC funds, as appropriate, to protect the Applicant's customers and the public interest and take any and all actions the Commission deems necessary, in its discretion, including, but not limited to returning prepayments or deposits collected from the Applicant's customers.

1.3 Establishing Rates and Charges

The Applicant would initially be providing service in areas where an incumbent local exchange carrier ("ILEC"), along with various competitive local exchange carriers ("CLECs") and interexchange carriers are providing telephone service. Therefore, the Applicant would have to compete with those providers in order to obtain subscribers to its services. The Applicant would be a new entrant and would face competition from both an incumbent provider and other competitive providers in offering service to its potential customers. Therefore, the Applicant would generally not be able to exert market power. Thus, the competitive process should result in rates that are just and reasonable.

Both an initial rate (the actual rate to be charged) and a maximum rate must be listed for each competitive service offered, provided that the rate for the service is not less than the Company's total service long-run incremental cost of providing the service pursuant to A.A.C. R14-2-1109.

The rates proposed by this filing are for competitive services. In general, rates for competitive services are not set according to rate of return regulation. Staff obtained information from the Company indicating that its fair value rate base is zero. Accordingly, the Company's fair value rate base is too small to be useful in a fair value analysis. On August 8, 2008, Mercury submitted a tariff reflecting the actual rates that Mercury will be charging for its local exchange and interexchange services. Staff has reviewed these rates and believes they are comparable to the rates charged by competitive local carriers, local incumbent carriers and major long distance carriers operating in the State of Arizona. Therefore, while Staff considered the fair value rate base information submitted by the Company, the fair value rate base information provided should not be given substantial weight in this analysis.

2. LOCAL EXCHANGE CARRIER SPECIFIC ISSUES

Issues related to the provision of that Local Exchange service are discussed below.

2.1 Number Portability

The Commission has adopted rules to address number portability in a competitive telecommunications services market. Local exchange competition may not be vigorous if customers, especially business customers, must change their telephone numbers to take advantage of a competitive local exchange carrier's service offerings. Consistent with federal laws, federal rules and A.A.C. R14-2-1308(A), the Applicant shall make number portability available to facilitate the ability of a customer to switch between authorized local carriers within a given wire center without changing their telephone number and without impairment to quality, functionality, reliability or convenience of use.

2.2 Provision of Basic Telephone Service and Universal Service

The Commission has adopted rules to address universal telephone service in Arizona. A.A.C. R14-2-1204(A) indicates that all telecommunications service providers that interconnect into the public switched network shall provide funding for the Arizona Universal Service Fund ("AUSF"). The Applicant will make the necessary monthly payments required by A.A.C. R14-2-1204(B).

2.3 Quality of Service

Staff believes that the Applicant should be ordered to abide by the quality of service standards that were approved by the Commission for Qwest (fka USWC) in Docket No. T-01051B-93-0183 (Decision No. 59421). Because the penalties developed in that docket were initiated because Qwest's level of service was not satisfactory and the Applicant does not have a similar history of service quality problems, Staff does not recommend that those penalties apply to the Applicant. In the competitive market that the Applicant wishes to enter, the Applicant generally will have no market power and will be forced to provide a satisfactory level of service

or risk losing its customers. Therefore, Staff believes that it is unnecessary to subject the Applicant to those penalties at this time.

2.4 Access to Alternative Local Exchange Providers

Staff expects that there will be new entrant providers of local exchange service who will install the plant necessary to provide telephone service to, for example, a residential subdivision or an industrial park much like existing local exchange companies do today. There may be areas where the Applicant installs the only local exchange service facilities. In the interest of providing competitive alternatives to the Applicant's local exchange service customers, Staff recommends that the Applicant be prohibited from barring access to alternative local exchange service providers who wish to serve such areas. This way, an alternative local exchange service provider may serve a customer if the customer so desires. Access to other providers should be provided pursuant to the provisions of the 1996 Telecommunications Act, the rules promulgated there under and Commission rules on interconnection and unbundling.

2.5 911 Service

The Commission has adopted rules to address 911 and E911 services in a competitive telecommunications services market. The Applicant has certified that in accordance with A.A.C. R14-2- 1201 (6)(d) and Federal Communications Commission 47 CFR Sections 64.3001 and 64.3002, it will provide all customers with 911 and E911 service, where available, or will coordinate with ILECs and emergency service providers to provide 911 and E911 service.

2.6 Custom Local Area Signaling Service

Consistent with past Commission decisions, the Applicant may offer Caller ID provided that per call and line blocking, with the capability to toggle between blocking and unblocking the transmission of the telephone number, are provided as options to which customers could subscribe with no charge. Also, Last Call Return service that will not return calls to telephone numbers that have the privacy indicator activated, indicating that the number has been blocked, must be offered.

3. REVIEW OF COMPLAINT INFORMATION

According to the application, the Applicant has neither had an application for service denied, nor revoked in any state. In addition, there are, and have been, no formal complaint proceedings involving the Applicant nor have there been any civil or criminal proceedings against the Applicant. The Applicant indicated in its application that none of its officers, directors or partners has been involved in any civil or criminal investigations, or any formal or informal complaints. The Applicant also indicated that none of its officers, directors or partners has been convicted of any criminal acts in the past ten (10) years. The Applicant indicated that it is currently providing telecommunications services in the state of Missouri. The Missouri Public Service Commission indicated that there have been no formal or informal complaints filed

against Mercury. A search of the Federal Communications Commission's website found that there have been no complaints filed against the Applicant. Consumer Services reports that there have been no complaints, inquiries, or opinions filed for Mercury. According to the Corporations Division, Mercury is in good standing.

4. COMPETITIVE SERVICES ANALYSIS

The Applicant has petitioned the Commission for a determination that the services it is seeking to provide should be classified as competitive.

4.1 Competitive Services Analysis for Local Exchange Services

4.1.1 A DESCRIPTION OF THE GENERAL ECONOMIC CONDITIONS THAT EXIST, WHICH MAKES THE RELEVANT MARKET FOR THE SERVICE ONE THAT IS COMPETITIVE.

The local exchange market that the Applicant seeks to enter is one in which a number of new CLECs have been authorized to provide local exchange service. Nevertheless, ILECs hold a virtual monopoly in the local exchange service market. At locations where ILECs provide local exchange service, the Applicant will be entering the market as an alternative provider of local exchange service and, as such, the Applicant will have to compete with those companies in order to obtain customers. In areas where ILECs do not serve customers, the Applicant may have to convince developers to allow it to provide service to their developments.

4.1.2 THE NUMBER OF ALTERNATIVE PROVIDERS OF THE SERVICE.

Qwest and various independent LECs are the primary providers of local exchange service in the State. Several CLECs and local exchange resellers are also providing local exchange service.

4.1.3 THE ESTIMATED MARKET SHARE HELD BY EACH ALTERNATIVE PROVIDER OF THE SERVICE.

Since Qwest and the independent LECs are the primary providers of local exchange service in the State, they have a large share of the market. Since the CLEC and local exchange resellers have only recently been authorized to offer service, they have limited market share.

4.1.4 THE NAMES AND ADDRESSES OF ANY ALTERNATIVE PROVIDERS OF THE SERVICE THAT ARE ALSO AFFILIATES OF THE TELECOMMUNICATIONS APPLICANT, AS DEFINED IN A.A.C. R14-2-801.

None.

4.1.5 THE ABILITY OF ALTERNATIVE PROVIDERS TO MAKE FUNCTIONALLY EQUIVALENT OR SUBSTITUTE SERVICES READILY AVAILABLE AT COMPETITIVE RATES, TERMS AND CONDITIONS.

ILECs have the ability to offer the same services that the Applicant has requested in their respective service territories. Similarly, many of the CLECs and local exchange resellers also offer substantially similar services.

4.1.6 OTHER INDICATORS OF MARKET POWER, WHICH MAY INCLUDE GROWTH AND SHIFTS IN MARKET SHARE, EASE OF ENTRY AND EXIT, AND ANY AFFILIATION BETWEEN AND AMONG ALTERNATIVE PROVIDERS OF THE SERVICE(S).

The local exchange service market is:

- a. One in which ILECs own networks that reach nearly every residence and business in their service territories and which provide them with a virtual monopoly over local exchange service. New entrants are also beginning to enter this market.
- b. One in which new entrants will be dependent upon ILECs:
 1. To terminate traffic to customers.
 2. To provide essential local exchange service elements until the entrant's own network has been built.
 3. For interconnection.
- c. One in which ILECs have had an existing relationship with their customers that the new entrants will have to overcome if they want to compete in the market and one in which new entrants do not have a long history with any customers.
- d. One in which most customers have few, if any choices since there is generally only one provider of local exchange service in each service territory.

- e. One in which the Applicant will not have the capability to adversely affect prices or restrict output to the detriment of telephone service subscribers.

4.2 Competitive Services Analysis for Interexchange Services

4.2.1 A DESCRIPTION OF THE GENERAL ECONOMIC CONDITIONS THAT EXIST, WHICH MAKES THE RELEVANT MARKET FOR THE SERVICE ONE THAT IS COMPETITIVE.

The interexchange market that the Applicant seeks to enter is one in which numerous facilities-based and resold interexchange carriers have been authorized to provide service throughout the State. The Applicant will be a new entrant in this market and, as such, will have to compete with those companies in order to obtain customers.

4.2.2 THE NUMBER OF ALTERNATIVE PROVIDERS OF THE SERVICE.

There are a large number of facilities-based and resold interexchange carriers providing both interLATA and intraLATA interexchange service throughout the State. In addition, various ILECs provide intraLATA interexchange service in many areas of the State.

4.2.3 THE ESTIMATED MARKET SHARE HELD BY EACH ALTERNATIVE PROVIDER OF THE SERVICE.

The large facilities-based interexchange carriers (AT&T, Sprint, MCI WorldCom, etc.) hold a majority of the interLATA interexchange market, and the ILECs provide a large portion of the intraLATA interexchange market. Numerous other interexchange carriers have a smaller part of the market and one in which new entrants do not have a long history with any customers.

4.2.4 THE NAMES AND ADDRESSES OF ANY ALTERNATIVE PROVIDERS OF THE SERVICE THAT ARE ALSO AFFILIATES OF THE TELECOMMUNICATIONS APPLICANT, AS DEFINED IN A.A.C. R14- 2-801.

None.

4.2.5 THE ABILITY OF ALTERNATIVE PROVIDERS TO MAKE FUNCTIONALLY EQUIVALENT OR SUBSTITUTE SERVICES READILY AVAILABLE AT COMPETITIVE RATES, TERMS AND CONDITIONS.

Both facilities-based and resold interexchange carriers have the ability to offer the same services that the Applicant has requested in their respective service territories. Similarly, many of the ILECs offer similar intraLATA toll services.

4.2.6 OTHER INDICATORS OF MARKET POWER, WHICH MAY INCLUDE GROWTH AND SHIFTS IN MARKET SHARE, EASE OF ENTRY AND EXIT, AND ANY AFFILIATION BETWEEN AND AMONG ALTERNATIVE PROVIDERS OF THE SERVICE(S).

The interexchange service market is:

- a. One with numerous competitors and limited barriers to entry.
- b. One in which established interexchange carriers have had an existing relationship with their customers that the new entrants will have to overcome if they want to compete in the market.
- c. One in which the Applicant will not have the capability to adversely affect prices or restrict output to the detriment of telephone service subscribers.

5. RECOMMENDATIONS

The following sections contain the Staff recommendations on the application for a CC&N and the Applicant's petition for a Commission determination that its proposed services should be classified as competitive.

5.1 *Recommendations on the Application for a CC&N*

Staff recommends that the Applicant's application for a CC&N to provide intrastate telecommunications services, as listed in this Report, be granted. In addition, Staff further recommends:

1. That the Applicant complies with all Commission Rules, Orders and other requirements relevant to the provision of intrastate telecommunications services;
2. That the Applicant abides by the quality of service standards that were approved by the Commission for Qwest in Docket No. T-01051B-93-0183;
3. That the Applicant be prohibited from barring access to alternative local exchange service providers who wish to serve areas where the Applicant is the only provider of local exchange service facilities;

4. That the Applicant be required to notify the Commission immediately upon changes to the Applicant's name, address or telephone number;
5. That the Applicant cooperates with Commission investigations including, but not limited to customer complaints;
6. The rates proposed by this filing are for competitive services. In general, rates for competitive services are not set according to rate of return regulation. Staff obtained information from the Company and has determined that its fair value rate base is zero. Staff has reviewed the rates to be charged by the Applicant and believes they are just and reasonable as they are comparable to other competitive local carriers, local incumbent carriers and major long distance companies offering service in Arizona and comparable to the rates the Applicant charges in other jurisdictions. The rate to be ultimately charged by the Company will be heavily influenced by the market. Therefore, while Staff considered the fair value rate base information submitted by the Company, the fair value information provided was not given substantial weight in this analysis;
7. That if, in the future, the Applicant wants to collect advances and/or deposits from its interexchange customers, the Applicant be required to file an application with the Commission for Commission approval. Such application must reference the decision in this docket and must explain the Applicant's plans for increasing its performance bond or an ISDLOC;
8. That the Applicant offer Caller ID with the capability to toggle between blocking and unblocking the transmission of the telephone number at no charge;
9. That the Applicant offer Last Call Return service that will not return calls to telephone numbers that have the privacy indicator activated; and
10. Staff further recommends that the Commission authorize the Applicant to discount its rates and service charges to the marginal cost of providing the services.

Staff further recommends that the Applicant be ordered to comply with the following. If it does not do so, the Applicant's CC&N shall be null and void after due process and no time extensions shall be granted for compliance.

1. The Applicant shall docket conforming tariffs for each service within its CC&N within 365 days from the date of an Order in this matter or 30 days prior to providing service, whichever comes first. The tariffs submitted shall coincide with the application and state that the Applicant does not collect deposits from its interexchange customers.

2. The Applicant shall:

- a. Procure a performance bond or ISDLOC, at the discretion of the Company, in the amount of \$225,000. The minimum performance bond or ISDLOC amount of \$225,000 should be increased if at any time it would be insufficient to deposits collected from the Applicant's customers. The amount should be increased in increments of \$112,500. This increase should occur when the total amount of the deposits is within \$22,500 of the minimum total amount.
- b. Staff recommends that Mercury file the original performance bond or ISDLOC with the Commission's Business Office and copies of the performance bond or ISDLOC with Docket Control, as a compliance item in this docket, within 30 days of the effective date of a decision in this matter. The performance bond or ISDLOC must remain in effect until further order of the Commission. The Commission may draw on the performance bond or ISDLOC, on behalf of, and for the sole benefit of the Company's customers, if the Commission finds, in its discretion, that the Company is in default of its obligations arising from its Certificate. The Commission may use the performance bond or ISDLOC funds, as appropriate, to protect the Company's customers and the public interest and take any and all actions the Commission deems necessary, in its discretion, including, but not limited to returning prepayments or deposits collected from the Company's customers.

5.2 *Recommendation on the Applicant's Petition to Have Proposed Services Classified As Competitive*

Staff believes that the Applicant's proposed services should be classified as competitive. There are alternatives to the Applicant's services. The Applicant will have to convince customers to purchase its services, and the Applicant has no ability to adversely affect the local exchange or interexchange service markets. Therefore, the Applicant currently has no market power in the local exchange or interexchange service markets where alternative providers of telecommunications services exist. Staff, therefore, recommends that the Applicant's proposed services be classified as competitive.